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CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

- o The offer must be for all of the outstanding shares of Quanta's common stock and series A convertible preferred stock.
- o The same per share price and consideration must be offered for all shares of Quanta's common stock and series A convertible preferred stock (on an as converted basis) and must be paid for all tendered or exchanged shares upon consummation of the offer.
- o Upon completion of the offer, the person who made the offer must own shares of Quanta's voting stock representing 75% or more of the then outstanding voting stock.
- o Prior to commencing the offer, the person making the offer must irrevocably commit to Quanta in writing to consummate a transaction promptly upon

completion of the offer, pursuant to which all shares of Quanta's common stock and series A convertible preferred stock not beneficially owned by that person at the completion of the offer will be acquired at the same price, and for the same consideration, per share paid in the offer.

A copy of Amendment No. 3 is attached to this filing as an exhibit and is incorporated herein by reference. The foregoing description is qualified in its entirety by reference to Amendment No. 3.

#### Stock Employee Compensation Trust

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Quanta entered into a Trust Agreement, dated March 13, 2002, between Quanta and Wachovia Bank, N.A., as trustee, pursuant to which the parties established the Quanta Services, Inc. Stock Employee Compensation Trust (the "SECT") to fund future employee benefit

obligations of Quanta using Quanta's common stock. Pursuant to the Common Stock Purchase Agreement, dated March 13, 2002, between Quanta and Wachovia Bank, N.A., as trustee, Quanta sold eight million shares of Quanta common stock to the SECT in exchange for a promissory note and a cash amount equal to the aggregate par value of the shares.

The SECT is a trust that holds shares of Quanta's common stock to be used to fund Quanta's obligations during the term of the trust in respect of certain benefit plans. The SECT will release the stock over the life of the trust, as the note is paid down through contributions by Quanta, to satisfy certain benefit requirements of Quanta's benefit plans. Compensation expense will be recognized by Quanta based on the fair value of the shares as they are released from the SECT. Unallocated shares held by the SECT will effectively not be included in calculating Quanta's earnings per share.

The Trust Agreement contains confidential pass-through voting and tendering provisions that are structured such that the individuals with an economic interest in the performance of the stock control the voting and tendering of such shares. The SECT is currently structured to enable participants in Quanta's broad-based Employee Stock Purchase Plan to determine the manner in which stock held by the trustee under the SECT is voted and tendered.

Quanta may amend the SECT at any time, subject to certain limitations on its ability to have an adverse effect on the contingent rights of participants in the benefit plans without their consent. The SECT will terminate on July 1, 2017 or any earlier date on which the note is paid in full. The Board of Directors of Quanta may terminate the SECT at any earlier time, and the SECT will terminate automatically upon Quanta giving the trustee notice of a change of control of Quanta (as defined in the Trust Agreement). Neither a change in a majority of the Board of Directors following a proxy fight nor a public company stock-for-stock merger would result in termination of the SECT and payments to participants. Upon termination, the trust will fund any pending obligations under the Plans and correspondingly reduce the remaining principal amount of the note, sell an amount of stock and any other non-cash assets then held by it sufficient to permit the trust to pay the amounts owned under the note, and pay to Quanta an amount equal to the remaining principal amount plus any accrued interest on the note, which payment will be deemed to terminate all remaining obligations of the trust with respect to the note. Any funds remaining in the SECT will be distributed to a broad cross-section of plan participants or to employees of Quanta generally or to a plan covering a broad cross-section of employees, as the Committee may in good faith determine taking into account the best interests of a broad cross section of the individuals employed by Quanta and its subsidiaries.

Copies of the Trust Agreement and the Stock Purchase Agreement are attached to this filing as exhibits and are incorporated herein by reference. The foregoing description is qualified in its entirety by reference to the Trust Agreement and the Common Stock Purchase Agreement.

#### Employment Agreements

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Quanta entered into new employment agreements with certain employees, as of March 13, 2002, which become effective upon a change of control (as defined below) of Quanta. For some of these employees, the new employment agreements

supplemented existing employment agreements already in effect. The new employment agreements provide that, following a change of control, if Quanta terminates the employee's employment other than for cause (as defined in the new employment agreements), the employee terminates employment for good reason (as defined in the new employment agreements), or the employee's employment terminates due to death or disability, Quanta will pay certain amounts to the employee, which vary with the level of the employee's responsibility and the terms of the employee's prior employment arrangements.

For purposes of the new employment agreements, a change of control means:

- o a person or entity, other than Quanta and its affiliates or an employee benefit plan of Quanta or its affiliates, acquires beneficial ownership of 50% or more of Quanta's total outstanding voting power;
- o individuals on the Board of Directors as of the date of the employment agreements, and any new individual who became a director with the approval of a majority of directors then in office who were directors as of the date of the employment agreements or whose election or nomination for election was previously so approved, cease to constitute a majority of the Board of Directors;
- o Quanta's stockholders approve, or Quanta consummates, a merger, consolidation, recapitalization, reorganization, or reverse stock split, other than a transaction in which at least 50% of the total voting power of the surviving entity immediately thereafter is beneficially owned by at least 50% of the holders Quanta securities immediately prior to the transaction without substantially altering their voting power; or
- o Quanta's stockholders approve a complete liquidation or an agreement for the sale of 50% or more of Quanta's assets.

The new employment agreements provide for payment of an amount equal to all salary, bonus and other compensation due the employee at termination, plus two or, in the case of 12 senior executives, three times the sum of the employee's base salary and highest annual bonus (as defined in the new employment agreements). Additionally, all stock options, restricted stock or other awards made under Quanta's stock incentive plans will become fully vested, and the employee's outstanding stock options will remain exercisable as if the employee remained employed by Quanta for two or, in the case of 12 senior executives, three years following his or her termination. The new employment agreements also provide that Quanta will continue the employee's health and welfare benefits for two or, in the case of 12 senior executives, three years after his or her termination. The employee also will be considered

to have remained employed, for purposes of determining eligibility for retiree medical benefits, until the expiration of two or, in the case of 12 senior executives, three years following his or her termination. Quanta will also provide the employee with outplacement services as selected by the employee.

The new employment agreements also provide that Quanta will make a gross up payment to the employees if payments under the new employment agreements (or otherwise) would be deemed "excess parachute payments" under Internal Revenue Code Section 280G, subject to the excise tax imposed by Internal Revenue Code Section 4999, so that the employee retains an amount of the gross-up payment equal to the excise tax imposed upon the payments.

Employment agreements with 12 senior executives provide that Quanta will make the payments described above if the employee terminates his or her employment for any reason at all during a 30-day period beginning six months after the date of the change of control. In addition, in order to conform the new employment agreements with two of those senior executives to their existing employment arrangements, their new employment agreements also provide that Quanta will make these payments if the employee terminates his employment for any reason during the five-day period immediately before the date of the change of control. All of the new employment agreements provide that Quanta will make the payments described above if, within three years following a change in control, the employee terminates his or her employment for good reason (as defined in the new employment agreements), the employee is terminated without cause or the employee's employment terminates due to death or disability.

In order to preserve for Quanta the benefit of non-competition agreements and other restrictive covenants of certain employees that were entered into in connection with the acquisition of those employees' businesses, twenty of the new employment agreements provide that such covenants will not cease, in the case of agreements with the 30-day window termination provision described above, upon the voluntary termination of the employee during that 30-day period or, for the other agreements, in the event of a termination of that employee. In the case of employees who did not sell businesses to Quanta, the new employment agreements provide that the covenant of non-competition, and any other restrictive covenants applicable to the employee under any employment or other agreement between Quanta and the employee, will cease to apply effective as of the employee's termination.

Copies of the new employment agreements with John R. Colson, Peter T. Dameris, Dana A. Gordon, Nicholas M. Grindstaff, Frederick M. Haag, James H. Haddox, Derrick A. Jensen, Elliott C. Robbins, Gary W. Smith, Luke T. Spalj, Gary A. Tucci and John R. Wilson

are attached to this filing as exhibits and are incorporated herein by reference. One additional employee signed a new employment agreement similar to that of John Colson. An additional twenty-four employees signed new employment agreements similar to that of Elliott Robbins, except that thirteen of those twenty-four agreements do not provide for the cessation of covenants of non-competition and other restrictive covenants as described above. The foregoing description is qualified in its entirety by reference to the attached Employment Agreements.

Press Release  
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On March 14, 2002, Quanta issued a press release announcing certain actions taken by the Special Committee on March 13, 2002. A copy of the press release is attached to this filing as an exhibit and is incorporated herein by reference.

ITEM 7. EXHIBITS.

- 4.10 Amendment No. 3 to the Rights Agreement, dated as of March 13, 2002, by and between Quanta Services, Inc. and American Stock Transfer & Trust Company, as rights agent
- 10.1 Stock Employee Compensation Trust Agreement, dated as of March 13, 2002, between Quanta Services, Inc. and Wachovia Bank, N.A., as trustee.
- 10.2 Common Stock Purchase Agreement, dated as of March 13, 2002, between Quanta Services, Inc. and Wachovia Bank, N.A., as trustee.
- 10.3 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and John R. Colson.
- 10.4 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Peter T. Dameris.
- 10.5 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Dana A. Gordon.
- 10.6 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Nicholas M. Grindstaff.
- 10.7 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Frederick M. Haag.
- 10.8 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and James H. Haddox.
- 10.9 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Derrick A. Jensen.
- 10.10 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Elliott C. Robbins.
- 10.11 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Gary W. Smith.
- 10.12 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Luke T. Spalj.
- 10.13 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and Gary A. Tucci.
- 10.14 Employment Agreement, dated March 13, 2002, by and between Quanta Services, Inc. and John R. Wilson.
- 99.2 Press Release of Quanta Services, Inc., dated March 14, 2002.

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 thereunto duly authorized.

Dated: March 21, 2002

QUANTA SERVICES, INC.

By: /s/ Dana A. Gordon

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Name: Dana A. Gordon

Title: VP -- General Counsel

## AMENDMENT NO. 3 TO THE RIGHTS AGREEMENT

THIS AMENDMENT NO. 3 TO THE RIGHTS AGREEMENT (this "THIRD AMENDMENT"), dated as of March 13, 2002, by and between Quanta Services, Inc., a Delaware corporation (the "COMPANY"), and American Stock Transfer & Trust Company, as rights agent (the "RIGHTS AGENT").

WHEREAS, the Company and the Rights Agent are parties to a Rights Agreement, dated as of March 8, 2000 (the "ORIGINAL RIGHTS AGREEMENT"); and

WHEREAS, pursuant to Section 27 of the Original Rights Agreement, the Company and the Rights Agent have executed and entered into Amendment No. 1 to the Rights Agreement on December 1, 2001 (the "FIRST AMENDMENT") and Amendment No. 2 to the Rights Agreement on February 13, 2002 (the "SECOND AMENDMENT"; the Original Rights Agreement, as amended by the First Amendment and the Second Amendment, the "RIGHTS AGREEMENT"); and

WHEREAS, the Company may from time to time supplement or amend the Rights Agreement in accordance with the provisions of Section 27 thereof; and

WHEREAS, the Special Committee of the Board of Directors, acting under the authority granted to such Special Committee in accordance with the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the Company, has determined that it is in the best interest of the Company and its shareholders to amend the Rights Agreement pursuant to Section 27 thereof as set forth below.

NOW, THEREFORE, the Rights Agreement is hereby amended as follows:

1. Section 1 of the Rights Agreement is amended by deleting subsection (a) thereof and replacing it with the following:

(a) "ACQUIRING PERSON" shall mean any Person (as such term is hereinafter defined) who or which shall be the Beneficial Owner (as such term is hereinafter defined) of 15% or more of the shares of Common Stock then outstanding, but shall not include an Exempt Person (as such term is hereinafter defined); provided, however, that (i) if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an "Acquiring Person" no longer qualifies as an Exempt Person inadvertently or became the Beneficial Owner of a number of shares of Common Stock such that the Person would otherwise qualify as an "Acquiring Person" inadvertently (including, without limitation, because (A) such Person was unaware that it beneficially owned a percentage of Common Stock that would otherwise cause such Person to be an "Acquiring Person" or (B) such Person was aware of the extent of its Beneficial Ownership of Common Stock but had no actual knowledge of the consequences of such Beneficial Ownership under this Agreement) and without any intention of changing or influencing control of the Company, then such Person shall not be deemed to be or to have become

an "Acquiring Person" for any purposes of this Agreement unless and until such Person shall have failed to divest itself, as soon as practicable (as determined, in good faith, by the Board of Directors of the Company), of Beneficial Ownership of a sufficient number of shares of Common Stock so that such Person would no longer otherwise qualify as an "Acquiring Person"; (ii) if, as of the date hereof, any Person is, or prior to the earlier of notice or the first public announcement of the adoption of this Agreement, any Person becomes the Beneficial Owner of 15% or more of the shares of Common Stock outstanding, such Person shall not be deemed to be or to become an "Acquiring Person" unless and until such time as such Person shall, after the earlier of notice of or the first public announcement of the adoption of this Agreement, become the Beneficial Owner of additional shares of Common Stock (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding Common Stock or Series A Preferred Stock or pursuant to a split or subdivision of the outstanding Common Stock or Series A Preferred Stock), unless, upon becoming the Beneficial Owner of such additional shares of Common Stock, such Person is not then the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding; (iii) no Person shall become an "Acquiring Person" as the result of an acquisition of shares of Common Stock or Series A Preferred Stock by the Company which, by reducing the number of shares outstanding, increases the proportionate number of shares of Common Stock beneficially owned by such Person to 15% or more of the shares of Common Stock then outstanding, provided, however, that if a Person shall become the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding by reason of such share acquisitions by the Company and

shall thereafter become the Beneficial Owner of any additional shares of Common Stock (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding Common Stock or Series A Preferred Stock or pursuant to a split or subdivision of the outstanding Common Stock or Series A Preferred Stock), then such Person shall be an "Acquiring Person" unless upon becoming the Beneficial Owner of such additional shares of Common Stock such Person does not beneficially own 15% or more of the shares of Common Stock then outstanding; and (iv) no Person shall become an "Acquiring Person" as a result of the acquisition by such Person of shares of Common Stock and/or Series A Preferred Stock pursuant to a tender offer or exchange offer (the "OFFER") that meets all of the following conditions: (A) the Offer is for all of the outstanding shares of Common Stock and Series A Preferred Stock not already beneficially owned by such Person, (B) the same per share price and consideration is offered for all shares, and is paid upon consummation of the Offer for all tendered or exchanged shares, of Common Stock and Series A Preferred Stock (on an as converted basis) in the Offer, (C) immediately upon consummation of the Offer and without taking into account any subsequent offering period under Section 14d-11 of the General Rules and Regulations under the Exchange Act, such Person

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beneficially owns shares of the Company's capital stock representing 75% or more of the voting power of the then outstanding shares of the Company's capital stock entitled to vote generally in the election of directors, and (D) on or prior to the date that the Offer is commenced within the meaning of Rule 14d-2 of the General Rules and Regulations under the Exchange Act, such Person makes an irrevocable written commitment to the Company to consummate a transaction or series of transactions promptly upon completion of the Offer, pursuant to which all shares of Common Stock and Series A Preferred Stock not beneficially owned by such Person at the time of consummation of the Offer will be acquired at the same price, and for the same consideration, per share as paid in the Offer for shares of Common Stock and Series A Preferred Stock (on an as converted basis). For all purposes of this Agreement, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding shares of Common Stock of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), as in effect on the date hereof.

2. This Third Amendment shall be deemed effective as of the date hereof as if executed by both parties hereto on such date. Except as amended hereby, the Rights Agreement shall remain in full force and effect and shall be otherwise unaffected hereby.

3. This Third Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such state applicable to contracts to be made and performed entirely within such state.

4. This Third Amendment may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5. If any term, provision, covenant or restriction of this Third Amendment is held by a court of competent jurisdiction or other authority to be invalid, illegal, or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Third Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

6. Terms not defined herein shall, unless the context otherwise requires, have the meanings assigned to such terms in the Rights Agreement.

7. In all respects not inconsistent with the terms and provisions of this Third Amendment, the Rights Agreement is hereby ratified, adopted, approved and confirmed. In executing and delivering this Third Amendment, the Rights Agent shall be entitled to all the privileges and immunities afforded to the Rights Agent under the terms and conditions of the Rights Agreement.

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IN WITNESS WHEREOF, this Third Amendment has been duly executed by the Company and the Rights Agent as of the day and year first written above.

By: /s/ Dana A. Gordon

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Name: Dana A. Gordon  
Title: VP - General Counsel

AMERICAN STOCK TRANSFER & TRUST COMPANY

By: /s/ Herbert J. Lemmer

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Name: Herbert J. Lemmer  
Title: Vice President

QUANTA SERVICES, INC.  
STOCK EMPLOYEE COMPENSATION TRUST

EFFECTIVE AS OF MARCH 13, 2002

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QUANTA SERVICES, INC.  
STOCK EMPLOYEE COMPENSATION TRUST

THIS TRUST AGREEMENT (the "AGREEMENT") made effective as of March 13, 2002, between Quanta Services, Inc., a Delaware corporation, and Wachovia Bank, N.A., as trustee.

W I T N E S S E T H :  
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WHEREAS, the Company (as defined below) desires to establish a trust (the "TRUST") in accordance with the laws of the State of Delaware and for the purposes stated in this Agreement;

WHEREAS, the Trustee (as defined below) desires to act as trustee of the Trust, and to hold legal title to the assets of the Trust, in trust, for the purposes hereinafter stated and in accordance with the terms hereof;

WHEREAS, the Company desires to provide assurance of the availability of the shares of its common stock necessary to satisfy certain of its obligations or those of its subsidiaries under the Plans (as defined below);

WHEREAS, the Company desires that the assets to be held in the Trust Fund (as defined below) should be principally or exclusively securities of the Company and, therefore, expressly waives any diversification of investments that might otherwise be necessary, appropriate, or required pursuant to applicable provisions of law; and

WHEREAS, Wachovia Bank, N.A., has been appointed as trustee and has accepted such appointment as of the date set forth first above;

NOW, THEREFORE, the parties hereto hereby establish the Trust and agree that the Trust will be comprised, held and disposed of as follows:

ARTICLE 1

TRUST, TRUSTEE AND TRUST FUND

1.1. TRUST. This Agreement and the Trust shall be known as the Quanta  
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Services, Inc. Stock Employee Compensation Trust. The parties intend that the Trust will be an independent legal entity with title to and power to convey all of its assets. The parties hereto further intend that the Trust not be subject to the Employee Retirement Income Security Act of 1974, as amended. The assets of the Trust will be held, invested and disposed of by the Trustee, in accordance with the terms of the Trust.

1.2. TRUSTEE. The trustee named above, and its successor or  
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successors, is hereby designated as the trustee hereunder, to receive, hold, invest, administer and distribute the Trust Fund in accordance with this Agreement, the provisions of which shall govern the power, duties and responsibilities of the Trustee.

1.3. TRUST FUND. The assets held at any time and from time to time

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under the Trust collectively are herein referred to as the "TRUST FUND" and shall consist of contributions received by the Trustee, any Company Stock acquired by the Trust, proceeds of any loans, investments and reinvestment thereof, the earnings and income thereon (or proceeds resulting from the disposition thereof), less disbursements therefrom. Except as herein otherwise provided, title to the assets of the Trust Fund shall at all times be vested in the Trustee and securities that are part of the Trust Fund shall be held in such manner that the Trustee's name and the fiduciary capacity in which the securities are held are fully disclosed, subject to the right of the Trustee to hold title in bearer form or in the name of a nominee, and the interests of others in the Trust Fund shall be only the right to have such assets received, held, invested, administered and distributed in accordance with the provisions of the Trust.

1.4. TRUST FUND SUBJECT TO CLAIMS. Notwithstanding any provision of

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this Agreement to the contrary, the Trust Fund shall at all times remain subject to the claims under federal and state law of the general creditors of (i) the Company and (ii) those of the Company's subsidiaries that participate in any of the Plans.

In addition, the Board of Directors and Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing of the Company's Insolvency. If a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, the Trustee shall determine whether the Company is Insolvent and, pending such determination, the Trustee shall discontinue allocations pursuant to Article 3.

Unless the Trustee has actual knowledge of the Company's Insolvency, or has received notice from the Company or a person claiming to be a creditor alleging that the Company is Insolvent, the Trustee shall have no duty to inquire whether the Company is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's Insolvency.

If at any time the Trustee has determined that the Company is Insolvent, the Trustee shall discontinue allocations pursuant to Article 3 and shall hold the Trust Fund for the benefit of the Company's general creditors. Nothing in this Agreement shall in any way diminish any rights of employees as general creditors of the Company with respect to benefits due under the Plan(s) or otherwise.

The Trustee shall resume allocations pursuant to Article 3 only after the Trustee has determined that the Company is not Insolvent (or is no longer Insolvent).

1.5. DEFINITIONS. In addition to the terms defined in the

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preceding portions of this Agreement, certain capitalized terms have the meanings set forth below:

Available Shares. "AVAILABLE SHARES" shall have the meaning assigned to it in Section 3.1.

Board of Directors. "BOARD OF DIRECTORS" means the board of directors of the Company.

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Bonus Plan. "BONUS PLAN" means the Executive Deferred Compensation Stock Plan of the Company.

Change of Control. "CHANGE OF CONTROL" means any of the following events:

(a) an acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT")) resulting in beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) by such individual, entity or group of 75% or more of the total number of shares of Company Stock outstanding (on an as converted basis), assuming full conversion of all securities and full exercise of all outstanding rights, options and warrants to acquire the Company Stock; provided, however, that the following acquisitions shall not constitute a Change of Control: (i) an acquisition by or directly from the Company, (ii) an acquisition by any employee benefit plan or trust sponsored or maintained by the Company; and (iii) any acquisition described in subclauses (A) or (B) of subsection (b) below; or

(b) consummation by the Company of (i) a complete dissolution or liquidation of the Company, (ii) a sale or other disposition of all or substantially all of the Company's assets or (iii) a reorganization, merger, or consolidation ("BUSINESS COMBINATION") unless either (A) all or substantially all of the stockholders of the Company immediately prior to the Business Combination own more than 25% of the voting securities of the entity surviving the Business Combination, or the entity which directly or indirectly controls such surviving entity, in substantially the same proportion as they owned the voting securities of the Company immediately prior thereto, or (B) the consideration (other than cash paid in lieu of fractional shares or payment upon perfection of appraisal rights) issued to stockholders of the Company in the Business Combination is solely common stock which is publicly traded on an established securities exchange in the United States.

Code. "CODE" means the Internal Revenue Code of 1986, as amended.

Committee. "COMMITTEE" means a committee of the Company which is charged by the Board of Directors with administration of the Trust.

Company. "COMPANY" means Quanta Services, Inc., a Delaware corporation, or any successor thereto. References to the Company shall include its subsidiaries where appropriate.

Company Stock. "COMPANY STOCK" means shares of common stock, par value \$0.00001 per share, issued by the Company or any successor securities.

Directing Participants. "DIRECTING PARTICIPANTS" shall have the meaning assigned to it in Section 5.5(a).

ESPP. "ESPP" shall have the meaning assigned to it in Section 5.4(a).

ESPP Participant. "ESPP PARTICIPANT" shall have the meaning assigned to it in Section 5.4(a).

3

ESPP Participant Directed Amount. "ESPP PARTICIPANT DIRECTED AMOUNT" shall have the meaning assigned to it in Section 5.4(a).

Extraordinary Dividend. "EXTRAORDINARY DIVIDEND" means any dividend or other distribution of cash or other property (other than Company Stock) made with respect to Company Stock, which the Board of Directors declares generally to be other than an ordinary dividend.

Fair Market Value. "FAIR MARKET VALUE" means as of any date the average of the highest and lowest reported sales price regular way on such date (or if such date is not a trading day, then on the most recent prior date which is a trading day) of a share of Company Stock as reported on the composite tape, or similar reporting system, for issues listed on the New York Stock Exchange (or, if the Company Stock is no longer traded on the New York Stock Exchange, on such other national securities exchange on which the Company Stock is listed or national securities or central market system upon which transactions in Company Stock are reported, as either shall be designated by the Committee for the purposes hereof) or if sales of Company Stock are not reported in any manner specified above, the average of the high bid and low asked quotations on such date (or if such date is not a trading day, then on the most recent prior date which is a trading day) in the over the counter market as reported by the National Association of Securities Dealers' Automated Quotation System or, if not so reported, by National Quotation Bureau, Incorporated or similar organization selected by the Committee.

Insolvent/Insolvency. "INSOLVENT" means as to the Company (i) unable to pay its debts as they come due or (ii) subject to a pending proceeding as debtor under the provisions of Title 11 of the United States Code. "INSOLVENCY" means the state of being Insolvent.

Instruction Form. "INSTRUCTION FORM" shall have the meaning assigned to it in Section 5.4(a).

Loan. "LOAN" means the extension of credit to the Trust evidenced by the promissory note made by the Trustee dated March 13, 2002.

Newly Issued Shares. "NEWLY ISSUED SHARES" shall have the meaning assigned to it in Section 2.1(a).

Plans. "PLANS" means the employee benefit plans listed on Schedule A hereto and any other employee benefit plan of the Company or its subsidiaries designated as such by the Committee in good faith taking into account the best interests of the Company and a broad cross section of the employees of the Company and its subsidiaries.

Plan Participant. "PLAN PARTICIPANT" means a participant in any of the Plans.

Principal Payment. "PRINCIPAL PAYMENT" shall have the meaning assigned to it in Section 3.1.

Tender Form. "TENDER FORM" shall have the meaning assigned to it in Section 5.4(b).

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Trustee. "TRUSTEE" means Wachovia Bank, N.A. (not in its corporate capacity but as trustee of the Trust) or any successor trustee.

Trust Fund. "TRUST FUND" shall have the meaning assigned to it in Section 1.3.

Trust Year. "TRUST YEAR" means the period beginning on the date hereof and ending on December 31, 2002, and each 12 month period beginning on January 1 and ending on December 31 thereafter.

## ARTICLE 2

### CONTRIBUTIONS AND DIVIDENDS

#### 2.1. CONTRIBUTIONS.

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(a) The Company has contributed to the Trust cash in the amount of seventy dollars and fourteen cents (\$70.14), representing the aggregate par value of those shares of Company Stock to be purchased by the Trust which, immediately prior to such purchase, will not have been issued by the Company (the "NEWLY ISSUED SHARES").

(b) For each Trust Year, the Company shall contribute to the Trust in cash such amount, which together with dividends, as provided in Section 2.2, and any other earnings of the Trust, shall enable the Trustee to make all payments of principal and interest due under the Loan on a timely basis. Unless otherwise expressly provided herein, the Trustee shall apply all such contributions, dividends and earnings to the payment of principal and interest due under the Loan. If, at the end of any Trust Year, no such contribution has been made in cash, such contribution shall be deemed to have been made in the form of forgiveness of principal and interest on the Loan to the extent of the Company's failure to make contributions as required by this Section 2.1(b). All contributions made under the Trust shall be delivered to the Trustee. The Trustee shall be accountable for all contributions received by it, but shall have no duty to require any contributions to be made to it.

#### 2.2. DIVIDENDS. Except as otherwise provided herein, dividends paid in

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cash on Company Stock held by the Trust shall be applied to pay interest and scheduled principal due under the Loan. Extraordinary Dividends shall not be used to pay interest on or principal of the Loan, but shall be invested in additional Company Stock as soon as practicable. Dividends which are not in cash or in Company Stock (including Extraordinary Dividends, or portions thereof) shall be reduced to cash by the Trustee and reinvested in Company Stock as soon as practicable, provided that an Extraordinary Dividend constituting a spin off, split off or similar transaction may be transferred to a trust sponsored by the spun off company or dealt with in another equitable manner as determined in good faith by the Committee. In the Trustee's discretion, investments in Company Stock may be made through open market purchases, private transactions or (with the Company's consent) purchases from the Company.

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## ARTICLE 3

### RELEASE AND ALLOCATION OF COMPANY STOCK

#### 3.1. RELEASE OF SHARES. Subject to the other provisions of this

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Article 3, upon the payment or forgiveness in any Trust Year of any principal on the Loan (a "PRINCIPAL PAYMENT"), the following number of shares of Company Stock not previously released shall be available for allocation ("AVAILABLE SHARES") as follows: the number of shares held in the Trust immediately before such payment or forgiveness and not previously released, multiplied by a fraction the numerator of which is the amount of the Principal Payment and the denominator of which is the sum of such Principal Payment and the remaining principal of the Loan outstanding after such Principal Payment.

3.2. ALLOCATIONS. Available Shares shall be allocated as directed by

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the Committee to the Plans no less frequently than annually. The Committee's discretion shall be limited to the amounts allocated among Plans, with the allocation itself being mandatory; PROVIDED, HOWEVER, that the Committee shall not allocate Newly Issued Shares to the Bonus Plan or to any other employee benefit plans of the Company or its subsidiaries not covering a broad cross section of individuals employed by the Company or its subsidiaries. In the event that any Available Shares remain after satisfaction of all benefit obligations under each of the Plans for a given Trust Year, all remaining Available Shares shall be contributed by the Trustee to such other plans of the Company or its subsidiaries covering a broad cross section of individuals employed by the Company or its subsidiaries as the Committee shall direct.

ARTICLE 4

COMPENSATION, EXPENSES AND TAX WITHHOLDING

4.1. COMPENSATION AND EXPENSES. The Trustee shall be entitled to such

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reasonable compensation for its services as may be agreed upon from time to time by the Company and the Trustee and to be reimbursed for its reasonable legal, accounting and appraisal fees, expenses and other charges reasonably incurred in connection with the administration, management, investment and distribution of the Trust Fund. Such compensation shall be paid, and such reimbursement shall be made out of the Trust Fund. The Company agrees to make sufficient contributions to the Trust to pay such amounts owing the Trustee in addition to those contributions required by Section 2.1(b).

4.2. WITHHOLDING OF TAXES. The Trustee may withhold, require

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withholding, or otherwise satisfy its withholding obligation, on any distribution which it is directed to make, such amount as it may reasonably estimate to be necessary to comply with applicable federal, state and local withholding requirements. Upon settlement of such tax liability, the Trustee shall distribute the balance of such amount. Prior to making any distribution hereunder, the Trustee may require such release or documents from any taxing authority, or may require such indemnity, as the Trustee shall reasonably deem necessary for its protection.

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ARTICLE 5

ADMINISTRATION OF TRUST FUND

5.1. MANAGEMENT AND CONTROL OF TRUST FUND. Subject to the terms of

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this Agreement, the Trustee shall have exclusive authority, discretion and responsibility to manage and control the assets of the Trust Fund.

5.2. INVESTMENT OF FUNDS.

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Except as otherwise provided in Section 2.2 and in this Section 5.2, the Trustee shall invest and reinvest the Trust Fund exclusively in Company Stock, as well as consideration resulting from the proceeds of a tender offer, recapitalization or similar transaction which, if not in Company Stock, shall be reduced to cash as soon as practicable. The Trustee may invest any portion of the Trust Fund temporarily pending investment in Company Stock, distribution or payment of expenses in (i) investments in United States Government obligations with maturities of less than one year, (ii) interest bearing accounts including but not limited to certificates of deposit, time deposits, saving accounts and money market accounts with maturities of less than one year in any bank, including the Trustee's, with aggregate capital in excess of \$1,000,000,000 and a Moody's Investor Services rating of at least P1, or an equivalent rating from a nationally recognized ratings agency, which accounts are insured by the Federal Deposit Insurance Corporation or other similar federal agency, (iii) obligations issued or guaranteed by any agency or instrumentality of the United States of America with maturities of less than one year or (iv) short-term discount obligations of the Federal National Mortgage Association.

5.3. TRUSTEE'S ADMINISTRATIVE POWERS.

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Except as otherwise provided herein, and subject to the Trustee's duties hereunder, the Trustee shall have the following powers and rights, in addition to those provided elsewhere in this Agreement or by law:

- (a) to retain any asset of the Trust Fund;

(b) subject to Section 5.4(b), Section 8.2 and Articles 2 and 3, to sell, transfer, mortgage, pledge, lease or otherwise dispose of, or grant options with respect to, any Trust Fund assets at public or private sale;

(c) upon direction from the Company, to borrow from any lender or to otherwise become indebted to any person (including the Company pursuant to the Loan), to acquire Company Stock as authorized by this Agreement, or to enter into lending agreements upon such terms (including reasonable interest and security for the loan and rights to renegotiate and prepay such loan) as may be determined by the Committee; provided, however, that any collateral given by the Trustee for the Loan shall be limited to cash and property contributed by the Company to the Trust and dividends paid on Company Stock held in the Trust Fund and shall not include Company Stock acquired by means of, in whole or in part, the Loan;

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(d) with the consent of the Committee, to settle, submit to arbitration, compromise, contest, prosecute or abandon claims and demands in favor of or against the Trust Fund;

(e) to vote or to give any consent with respect to any securities, including any Company Stock, held by the Trust either in person or by proxy for any purpose, provided that the Trustee shall vote, tender or exchange all shares of Company Stock as provided in Section 5.4;

(f) to exercise any of the powers and rights of an individual owner with respect to any asset of the Trust Fund and to perform any and all other acts that in its judgment are necessary or appropriate for the proper administration of the Trust Fund, even though such powers, rights and acts are not specifically enumerated in this Agreement;

(g) to employ such accountants, actuaries, investment bankers, appraisers, other advisors and agents as may be reasonably necessary in collecting, managing, administering, investing, valuing, distributing and protecting the Trust Fund or the assets thereof or any borrowings of the Trustee made in accordance with Section 5.3(c); and to pay their reasonable fees and expenses, which shall be deemed to be expenses of the Trust and for which the Trustee shall be reimbursed in accordance with Section 4.1;

(h) to cause any asset of the Trust Fund to be issued, held or registered in the Trustee's name or in the name of its nominee, or in such form that title will pass by delivery, provided that the records of the Trustee shall indicate the true ownership of such asset;

(i) to utilize another entity as custodian to hold, but not invest or otherwise manage or control, some or all of the assets of the Trust Fund; and

(j) to consult with legal counsel (who may also be counsel for the Trustee generally) with respect to any of its duties or obligations hereunder; and to pay the reasonable fees and expenses of such counsel, which shall be deemed to be expenses of the Trust and for which the Trustee shall be reimbursed in accordance with Section 4.1.

Notwithstanding the foregoing, neither the Trust nor the Trustee shall have any power to, and shall not, engage in any trade or business.

#### 5.4. VOTING AND TENDERING OF COMPANY STOCK.

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##### (a) VOTING OF COMPANY STOCK. The Trustee shall follow the directions

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of participants in the Quanta Services, Inc. 1999 Employee Stock Purchase Plan (the "ESPP") as to the manner in which shares of Company Stock held by the Trust are to be voted on each matter brought before an annual or special stockholders' meeting of the Company or the manner in which any consent is to be executed, in each case as provided below. Before each such meeting of stockholders, the Trustee shall cause to be furnished to each active employee of the Company who exercised purchase rights under the ESPP during the one-year period terminating on the tenth calendar day prior to the record date of the vote and who is not a director of the Company ("ESPP PARTICIPANT") a copy of the proxy solicitation material received by the Trustee, together

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with a form requesting confidential instructions ("INSTRUCTION FORM") as to how to vote the shares of Company Stock held by the Trustee. Each ESPP Participant

shall have a reasonable period within which to return the Instruction Form to the Trustee or to an agent hired by the Trustee. Upon the expiration of the period for the return of Instruction Forms, the Trustee shall on each such matter vote the number of shares (including fractional shares) of Company Stock held by the Trust as follows:

The Trustee shall assign to each ESPP Participant a number of shares (the "ESPP PARTICIPANT DIRECTED AMOUNT") equal to the product of (x) the total number of shares of Company Stock held in the Trust Fund, and (y) a fraction, the numerator of which is the number of shares of Company Stock acquired by such ESPP Participant as a result of his/her exercise of purchase right(s) allocated to him/her pursuant to the ESPP during the one-year period terminating on the tenth calendar day prior to the record date of the vote, and the denominator of which is the total number of shares of Company Stock acquired by all ESPP Participants as a result of the exercise of purchase right(s) allocated pursuant to the ESPP during such one-year period. Each share assigned to each ESPP Participant in accordance with the previous sentence shall be voted in accordance with such participant's Instruction Form. Any shares of Company Stock which remain undirected pursuant to the foregoing provisions shall be voted for, against or to abstain or withhold, as the case may be, in the same proportions as the shares of Company Stock for which the Trustee is directed as provided above. Similar provisions shall apply in the case of any action by stockholder consent without a meeting.

(b) TENDER OR EXCHANGE OF COMPANY STOCK. The Trustee shall use its

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best efforts timely to distribute or cause to be distributed to ESPP Participants any written materials distributed to stockholders of the Company generally in connection with any tender offer or exchange offer for Company Stock, together with a form requesting confidential instructions on whether or not to tender or exchange shares of Company Stock held in the Trust (the "TENDER FORM"). Each ESPP Participant shall have a reasonable period of time within which to return the Tender Form. Upon expiration of the period for return of Tender Forms, the Trustee shall tender or exchange or not tender or exchange the ESPP Participant Directed Amount for each ESPP Participant in accordance with such participant's Tender Form. Each ESPP Participant shall not be limited in the number of instructions to tender or exchange or withdraw from tender or exchange which he/she may give but shall not have the right to give instructions to tender or exchange or withdraw from tender or exchange after a reasonable time established by the Trustee. If the Trustee shall not receive from one or more ESPP Participants timely instruction by means of a Tender Form as to the manner in which to respond to such a tender or exchange offer, the Trustee shall not tender or exchange any shares of Company Stock with respect to which such ESPP Participants have the right of direction, and the Trustee shall have no discretion in such matter.

(c) The Company shall maintain appropriate procedures to ensure that all instructions by ESPP Participants are collected, tabulated, and transmitted to the Trustee without being divulged or released to any person affiliated with the Company or its affiliates. All actions taken by ESPP Participants and the contents of the Instruction Forms and Tender Forms shall be held confidential by the Trustee and shall not be divulged or released to any person, other than (i) agents of the Trustee who are not affiliated with the Company or its affiliates or (ii) by virtue of

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the execution by the Trustee of any proxy, consent or letter of transmittal for the shares of Company Stock held in the Trust, or (iii) as required by court order.

(d) In the event that the ESPP shall for any reason cease to exist, or the Committee shall determine in good faith that it is no longer an appropriate plan for the purpose of this Section 5.4, the Committee shall, for purposes of this Section 5.4, substitute for such plan another employee benefit plan of the Company or its subsidiaries covering a broad cross section of individuals employed by the Company and its subsidiaries and exclude from participation therein, in substantially the same manner as provided for in this Section 5.4 with respect to the ESPP, of persons who are directors of the Company.

5.5. INDEMNIFICATION.

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(a) To the extent lawfully allowable, the Company shall and hereby does indemnify and hold harmless the Trustee from and against any claims, demands, actions, administrative or other proceedings, causes of action, liability, loss, cost, damage or expense (including reasonable attorneys' fees), which may be asserted against it, in any way arising out of or incurred as a result of its action or failure to act in connection with the operation and administration of the Trust; provided that such indemnification shall not apply to the extent that the Trustee has acted in willful or negligent violation of applicable law or its duties under this Trust or in bad faith. The Trustee shall be under no liability to any person for any loss of any kind which may result (i) by reason of any action taken by it in accordance with any direction of the

Committee or any ESPP Participant acting pursuant to Section 5.4(b) (hereinafter collectively referred to as the "DIRECTING PARTICIPANTS"), (ii) by reason of its failure to exercise any power or authority or to take any action hereunder because of the failure of any such Directing Participant to give directions to the Trustee, as provided for in this Agreement, or (iii) by reason of any act or omission of any of the Directing Participants with respect to its duties under this Trust. The Trustee shall be fully protected in acting upon any instrument, certificate, or paper delivered by the Committee or any ESPP Participant or beneficiary and believed in good faith by the Trustee to be genuine and to be signed or presented by the proper person or persons, and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

(b) The Company may, but shall not be required to, maintain liability insurance to insure its obligations hereunder. If any payments made by the Company or the Trust pursuant to this indemnity are covered by insurance, the Company or the Trust (as applicable) shall be subrogated to the rights of the indemnified party against the insurance company.

(c) Without limiting the generality of the foregoing, the Company may, at the request of the Trustee, advance to the Trustee reasonable amounts of expenses, including reasonable attorneys' fees and expenses, which the Trustee advised have been incurred in connection with its investigation or defense of any claim, demand, action, cause of action, administrative or other proceeding arising out of or in connection with the Trustee's performance of its duties under this Agreement.

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#### 5.6. GENERAL DUTY TO COMMUNICATE TO COMMITTEE. The Trustee shall

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promptly notify the Committee of all communications with or from any government agency or with respect to any legal proceeding with regard to the Trust and with or from any Plan Participants concerning their entitlements under the Plans or the Trust.

### ARTICLE 6

#### ACCOUNTS AND REPORTS OF TRUSTEE

##### 6.1. RECORDS AND ACCOUNTS OF TRUSTEE. The Trustee shall maintain

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accurate and detailed records and accounts of all transactions of the Trust, which shall be available at all reasonable times for inspection or audit by any person designated by the Company and which shall be retained as required by applicable law.

##### 6.2. FISCAL YEAR. The fiscal year of the Trust shall be the

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twelve month period beginning on January 1 and ending on December 31.

##### 6.3. REPORTS OF TRUSTEE. The Trustee shall prepare and present to the

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Committee a report for the period ending on the last day of each fiscal year, and for such shorter periods as the Committee may reasonably request, listing all securities and other property acquired and disposed of and all receipts, disbursements and other transactions effected by the Trust after the date of the Trustee's last account, and further listing all cash, securities, and other property held by the Trust, together with the fair market value thereof, as of the end of such period. In addition to the foregoing, the report shall contain such information regarding the Trust Fund's assets and transactions as the Committee in its discretion may reasonably request.

##### 6.4. FINAL REPORT. In the event of the resignation or removal of a

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Trustee hereunder, the Committee may request and the Trustee shall then with reasonable promptness submit, for the period ending on the effective date of such resignation or removal, a report similar in form and purpose to that described in Section 6.3.

### ARTICLE 7

#### SUCCESSION OF TRUSTEE

##### 7.1. RESIGNATION OF TRUSTEE. The Trustee or any successor thereto may

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resign as Trustee hereunder at any time upon delivering a written notice of such resignation, to take effect ninety (90) days after the delivery thereof to the Committee, unless the Committee accepts shorter notice; provided, however, that no such resignation shall be effective until a successor Trustee has assumed the office of Trustee hereunder.

7.2. REMOVAL OF TRUSTEE. The Trustee or any successor thereto may be

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removed by the Company by delivering to the Trustee so removed an instrument executed by the Committee. Such removal shall take effect at the date specified in such instrument, which shall not be less than sixty (60) days after delivery of the instrument, unless the Trustee accepts shorter notice; provided, however, that no such removal shall be effective until a successor Trustee has assumed the office of Trustee hereunder.

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7.3. APPOINTMENT OF SUCCESSOR TRUSTEE. Whenever the Trustee or any

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successor thereto shall resign or be removed or a vacancy in the position shall otherwise occur, the Committee shall use its best efforts to appoint a successor Trustee as soon as practicable after receipt by the Committee of a notice described in Section 7.1, or the delivery to the Trustee of a notice described in Section 7.2, as the case may be, but in no event more than one hundred eighty (180) days after receipt or delivery, as the case may be, of such notice. A successor Trustee's appointment shall not become effective until such successor shall accept such appointment by delivering its acceptance in writing to the Company. If a successor is not appointed within such 180 day period, the Trustee, at the Company's expense, may petition a court of competent jurisdiction for appointment of a successor. Any successor Trustee shall be an institutional trustee not affiliated with the Company.

7.4. SUCCESSION TO TRUST FUND ASSETS. The title to all property held

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hereunder shall vest in any successor Trustee acting pursuant to the provisions hereof without the execution or filing of any further instrument, but a resigning or removed Trustee shall execute all instruments and do all acts necessary to vest title in the successor Trustee. Each successor Trustee shall have, exercise and enjoy all of the powers, both discretionary and ministerial, herein conferred upon its predecessors. A successor Trustee shall not be obliged to examine or review the accounts, records, or acts of, or property delivered by, any previous Trustee and shall not be responsible for any action or any failure to act on the part of any previous Trustee.

7.5. CONTINUATION OF TRUST. In no event shall the legal disability,

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resignation or removal of a Trustee terminate the Trust, but the Board of Directors shall forthwith appoint a successor Trustee in accordance with Section 7.3 to carry out the terms of the Trust.

7.6. CHANGES IN ORGANIZATION OF TRUSTEE. In the event that any

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corporate Trustee hereunder shall be converted into, shall merge or consolidate with, or shall sell or transfer substantially all of its assets and business to, another entity, state or federal, the entity resulting from such conversion, merger or consolidation, or the entity to which such sale or transfer shall be made, shall thereunder become and be the Trustee under the Trust with the same effect as though originally so named.

7.7. CONTINUANCE OF TRUSTEE'S POWERS IN EVENT OF TERMINATION OF THE

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TRUST. In the event of the termination of the Trust, as provided herein, the

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Trustee shall dispose of the Trust Fund in accordance with the provisions hereof. Until the final distribution of the Trust Fund, the Trustee shall continue to have all powers provided hereunder as necessary or expedient for the orderly liquidation and distribution of the Trust Fund.

ARTICLE 8

AMENDMENT OR TERMINATION

8.1. AMENDMENTS. Except as otherwise provided herein, the Company may

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amend the Trust at any time and from time to time in any manner which it deems desirable, provided that (a) no amendment which would adversely affect the contingent rights of Plan Participants may change (i) the allocation formula contained in Section 3.1 or Section 3.2, (ii) the provisions of Section 5.4, other than an amendment to reflect a change in the Plans funded by this

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Trust, (iii) the provisions of Section 8.2, (iv) the provisions of this Section 8.1 or (v) any definition set forth in Section 1.5 relating to any of such provisions, in each case, without the affirmative consent of at least 66 2/3% of

the Plan Participants that received an allocation of Available Shares in the immediately preceding Trust Year, voting together as a single class with each such Plan Participant having one vote and (b) no amendment may change the duties of the Trustee without the Trustee's consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Company shall retain the power under all circumstances to amend the Trust to correct any errors or clarify any ambiguities or similar issues of interpretation in this Agreement.

8.2. TERMINATION. The Trust shall terminate on July 1, 2017, or any

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earlier date on which the Loan is paid in full (the "TERMINATION DATE"). The Board of Directors may terminate the Trust at any time prior to the Termination Date. The Trust shall also terminate automatically upon the Company giving the Trustee notice of a Change of Control. As soon as practicable after receiving notice from the Company of a Change of Control or upon any other termination of the Trust, the Trustee shall cause the Trust to (i) fund any obligations then pending under the Plans with, or otherwise by means of, Available Shares; (ii) sell, to the extent necessary to comply with clause (iii) below, an amount of Company Stock or other non-cash assets (if any) then held in the Trust Fund sufficient to permit the Trust to return to the Company the amount specified in clause (iii) below; and (iii) return to the Company an amount in cash equal to the remaining principal plus any accrued interest on the Loan, which payment will be deemed to terminate all remaining obligations of the Trust with respect to the Loan. Any assets remaining in the Trust Fund after the Trust has given effect to the transactions described in the previous sentence shall be distributed with reasonable promptness first to Plan Participants and then to individuals employed by the Company or its subsidiaries generally or to any benefit plan or trust in which a broad cross section of individuals employed by the Company or its subsidiaries participate, as the Committee may in good faith determine taking into account the best interests of a broad cross section of the individuals employed by the Company or its subsidiaries. In the event that any Company Stock or any other non-cash assets shall remain in the Trust Fund after the repayment of the Loan but before the distribution described in the previous sentence, the Trustee shall effect such distribution by either (a) distributing such remaining assets in kind in addition to any cash remaining in the Trust Fund or (b) selling such remaining assets and distributing the proceeds of such sale in addition to any cash remaining in the Trust Fund, in either case as the Committee may in good faith determine taking into account the best interests of a broad cross section of the individuals employed by the Company.

8.3. FORM OF AMENDMENT OR TERMINATION. Any amendment or termination of

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the Trust shall be evidenced by an instrument in writing signed by an authorized officer of the Company, certifying that said amendment or termination has been authorized and directed by the Company or the Board of Directors, as applicable, and, in the case of any amendment, shall be consented to by signature of an authorized officer of the Trustee, if required by Section 8.1.

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ARTICLE 9

MISCELLANEOUS

9.1. CONTROLLING LAW; JURISDICTION AND VENUE. The laws of the State of

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Delaware shall be the controlling law in all matters relating to the Trust, without regard to conflicts of law. The parties hereto irrevocably agree that any legal action or proceeding arising out of or relating to this Agreement shall be brought and determined in the courts of the State of Delaware, and each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding to the exclusive jurisdiction of the aforesaid courts. Each of the parties hereto hereby irrevocably waives and agrees not to assert in any action or proceeding with respect to this Agreement, any claim (a) that it is not personally subject to the jurisdiction of the above-named courts for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts, or (c) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

9.2. COMMITTEE ACTION. Any action required or permitted to be taken

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by the Committee may be taken on behalf of the Committee by any individual so authorized. The Company shall furnish to the Trustee the name and specimen signature of each member of the Committee upon whose statement of a decision or direction the Trustee is authorized to rely. Until notified of a change in the identity of such person or persons, the Trustee shall act upon the assumption that there has been no change.

9.3. NOTICES. All notices, requests, or other communications required

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or permitted to be delivered hereunder shall be in writing, delivered by  
registered or certified mail, return receipt requested as follows:

To the Company:

Quanta Services, Inc.  
1360 Post Oak Boulevard, Suite 2100  
Houston, TX 77056  
Attention: General Counsel

To the Trustee:

Wachovia Bank, N.A.  
One West Fourth Street, NC6251  
Winston-Salem, NC 27012  
Attention: Quanta Services Account Officer

Any party hereto may from time to time, by written notice given as aforesaid,  
designate any other address to which notices, requests or other communications  
addressed to it shall be sent.

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9.4. SEVERABILITY. If any provision of the Trust shall be held

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illegal, invalid or unenforceable for any reason, such provision shall not  
affect the remaining parts hereof, but the Trust shall be construed and enforced  
as if said provision had never been inserted herein.

9.5. PROTECTION OF PERSONS DEALING WITH THE TRUST. No person dealing

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with the Trustee shall be required or entitled to monitor the application of any  
money paid or property delivered to the Trustee, or determine whether or not the  
Trustee is acting pursuant to authorities granted to it hereunder or to  
authorizations or directions herein required.

9.6. TAX STATUS OF TRUST. It is intended that the Company, as grantor

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hereunder, be treated for Federal income tax purposes as the owner of the entire  
Trust and the trust assets under Section 671, et seq. of the Code. Until advised  
otherwise, the Trustee may presume that the Trust is so characterized for  
federal income tax purposes and shall make all filings of tax returns on that  
presumption.

9.7. PARTICIPANTS TO HAVE NO INTEREST IN THE COMPANY BY REASON OF THE

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TRUST. Neither the creation of the Trust nor anything contained in the Trust  
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shall be construed as giving any person, including any individual employed by  
the Company or any subsidiary of the Company, any equity or interest in the  
assets, business, or affairs of the Company except to the extent that any such  
individuals are entitled to exercise stockholder rights with respect to Company  
Stock pursuant to Section 5.4 and to consent to certain amendments to this  
Agreement pursuant to Section 8.1.

9.8. NONASSIGNABILITY. No right or interest of any person to receive

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distributions from the Trust shall be assignable or transferable, in whole or in  
part, either directly or by operation of law or otherwise, including, but not by  
way of limitation, execution, levy, garnishment, attachment, pledge, or  
bankruptcy, but excluding death or mental incompetency, and no right or interest  
of any person to receive distributions from the Trust shall be subject to any  
obligation or liability of any such person, including claims for alimony or the  
support of any spouse or child.

9.9. GENDER AND PLURALS. Whenever the context requires or permits,

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the masculine gender shall include the feminine gender and the singular form  
shall include the plural form and shall be interchangeable.

9.10. COUNTERPARTS. This Agreement may be executed in any number of

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counterparts, each of which shall be considered an original.

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IN WITNESS WHEREOF, the Company and the Trustee have caused this

Agreement to be signed, and their seals affixed hereto, by their authorized officers all as of the day, month and year first above written.

QUANTA SERVICES, INC.

By:   /s/ Dana A. Gordon  
-----  
Name:   Dana A. Gordon  
Title: VP - General Counsel

WACHOVIA BANK, N.A.

By:   /s/ John M. Smith, III  
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Name:   John M. Smith  
Title: Senior Vice President

SCHEDULE A

Quanta Services, Inc. 1999 Employee Stock Purchase Plan

Quanta Services, Inc. 2001 Stock Incentive Plan

Executive Deferred Compensation Stock Plan

## COMMON STOCK PURCHASE AGREEMENT

THIS COMMON STOCK PURCHASE AGREEMENT (this "AGREEMENT"), made this 13 day of March, 2002, between Quanta Services, Inc., a Delaware corporation (the "SELLER") and Wachovia Bank, N.A., a national banking association, not in its individual or corporate capacity, but solely in its capacity as trustee (the "TRUSTEE") of the Quanta Services, Inc. Stock Employee Compensation Trust (the "TRUST", which is hereinafter sometimes referred to as the "PURCHASER") under a trust agreement between the Seller and the Trustee dated as of March 13, 2002 (the "TRUST AGREEMENT").

## W I T N E S S E T H:

WHEREAS, as contemplated by the Trust Agreement, the Purchaser is to purchase from the Seller, and the Seller is to sell to the Purchaser, eight million (8,000,000) shares of the Seller's Common Stock, par value \$0.00001 per share (the "COMMON SHARES"), of which 986,000 are currently issued and held by the Seller as treasury stock (the "TREASURY SHARES") and 7,014,000 are currently unissued (the "UNISSUED SHARES"), all as more specifically provided herein;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

## ARTICLE I.

## PURCHASE AND SALE OF SHARES

1.1. PURCHASE AND SALE. Subject to the terms and conditions set forth herein, at the Closing (as hereinafter defined), the Seller will sell to the Purchaser, and the Purchaser will purchase from the Seller, the Common Shares, and, in consideration for the Common Shares, the Purchaser will deliver to the Seller (1) a note in the form of Appendix I to this Agreement in the principal amount of one hundred thirty-two million seventy-nine thousand nine hundred twenty-nine dollars and eighty-six cents (\$132,079,929.86) (the "NOTE"), and (2) cash in the amount of \$70.14 representing the aggregate par value of the Unissued Shares.

1.2. CLOSING. The closing of the sale and purchase of the Common Shares hereunder (the "CLOSING") will be held at the offices of the Seller at 6:00 P.M., Houston, Texas time, on the date of execution and delivery of this Agreement by the Seller and the Purchaser, or at such other time, date and place as may be mutually agreed upon by the Seller and the Purchaser.

1.3. DELIVERY AND PAYMENT. At the Closing, the Seller will deliver to the Purchaser a certificate representing the Common Shares, which certificate shall be registered in the name of the Trustee, or the name of its nominee, against payment by the Purchaser to the Seller of the aggregate consideration set forth in Section 1.1 therefor. The Seller will pay all stamp and other transfer taxes, if any, that may be payable in respect of the sale and delivery of the Common Shares.

## ARTICLE II.

## REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Purchaser as follows:

2.1. CORPORATE EXISTENCE AND AUTHORITY. The Seller (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (b) has all requisite corporate power to execute, deliver and perform this Agreement and (c) has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement.

2.2. NO CONFLICT. The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate, conflict with or constitute a default under (a) the Seller's certificate of incorporation or bylaws, (b) any agreement, indenture or other instrument to which the Seller is a party or by which the Seller or its assets may be bound or (c) any law, regulation, order, arbitration, award, judgment or decree applicable to the Seller.

2.3. VALIDITY. This Agreement has been duly executed and delivered by the Seller and is a valid and binding agreement of the Seller enforceable against the Seller in accordance with its terms, except as the enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by general principles of equity.

2.4. THE COMMON SHARES. The Common Shares have been duly authorized; the Treasury Shares have been duly issued and are held by the Seller as treasury stock; and when issued (in the case of the Unissued Shares) and sold as contemplated hereby, the Common Shares will be validly issued, fully paid and non-assessable shares of the Seller. No stockholder of the Seller has any preemptive or other subscription right to acquire any Common Shares. The Seller will convey to the Purchaser, on the date of Closing, good and valid title to the Common Shares free and clear of any liens, claims, security interests and encumbrances.

2.5. BUSINESS AND FINANCIAL INFORMATION. Seller has heretofore delivered to the Purchaser copies of the audited consolidated balance sheets, statements of stockholders' equity, statements of operations and statements of cash flows of Seller and its subsidiaries as of and for the fiscal years ending December 31, 2000 and December 31, 1999 and the unaudited consolidated balance sheet, statement of stockholders' equity, statement of operations and statement of cash flows of Seller and its subsidiaries as of and for the nine months ending September 30, 2001 (including the related notes and schedules, the "SELLER FINANCIAL STATEMENTS"). The Seller Financial Statements fairly present the consolidated results of operations, changes in stockholders' equity and cash flows for the periods set forth therein and the consolidated financial position as at the dates thereof of Seller and its subsidiaries, in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as set forth in the notes thereto and subject, in the case of unaudited financial statements, to the omission of certain notes not ordinarily accompanying such unaudited financial statements and to normal year-end audit adjustments which in each case will not be material to Seller and its subsidiaries taken as a

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whole. Since December 31, 2001, Seller has filed with the Securities and Exchange Commission all forms, reports and documents required pursuant to the Securities Act of 1933, as amended (the "1933 ACT"), and the Securities Exchange Act of 1934, as amended (the "1934 ACT"), to be filed by it (the "DISCLOSURE DOCUMENTS"). At the time filed, all of the Disclosure Documents complied as to form in all material respects with all applicable requirements of such Acts. None of the Disclosure Documents, at the time filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

#### ARTICLE III.

##### REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Seller as follows:

3.1. AUTHORITY; VALIDITY. The Purchaser has full power and authority under the Trust to execute and deliver this Agreement and the Note and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Trustee on behalf of the Trust and is a valid and binding agreement of the Purchaser enforceable in accordance with its terms, except as the enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by general principles of equity. The Note has been duly authorized by the Trustee on behalf of the Trust and, upon the execution and delivery by the Trustee on behalf of the Trust, the Note will be a valid and binding agreement of the Purchaser enforceable in accordance with its terms, except as the enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by general principles of equity.

3.2. NO CONFLICT. The execution and delivery of this Agreement do not, and the execution and delivery of the Note, and the consummation of the transactions contemplated hereby and thereby will not, violate, conflict with or constitute a default under (a) the terms of the Trust, (b) any agreement, indenture or other instrument to which the Trust is a party or by which the Trust or its assets may be bound or subject or (c) any law, regulation, order, arbitration award, judgment or decree applicable to the Trust.

#### ARTICLE IV.

##### RESTRICTIONS ON DISPOSITION OF THE COMMON SHARES

4.1. RESTRICTED SECURITIES. The Purchaser acknowledges that the Purchaser is acquiring the Common Shares pursuant to a transaction exempt from registration under the 1933 Act. The Purchaser represents, warrants and agrees that all Common Shares acquired by the Purchaser pursuant to this Agreement are being acquired for investment without any intention of making a distribution thereof, or of making any sale or other disposition thereof which would be in violation of the 1933 Act or any applicable state securities law, and that the

Purchaser will not dispose of any of the Common Shares, except that (a) the Trustee will convey or sell a portion of

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the Common Shares to fund the obligations of the Seller under certain plans as may be set forth in Schedule A to the Trust Agreement, and (b) the Trustee may dispose of any Common Shares as provided in the Trust Agreement, in each case, in compliance with all provisions of applicable federal and state law regulating the issuance, sale and distribution of securities and the Trust Agreement.

4.2. LEGEND. Until such time as the Common Shares are registered pursuant to the provisions of the 1933 Act, any certificate or certificates representing the Common Shares delivered pursuant to Section 1.3 will bear a legend in substantially the following form:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold, transferred or otherwise disposed of unless they have first been registered under such Act or unless an exemption from registration is available."

The Seller may place stop transfer orders against the registration of transfer of any share evidenced by such a certificate or certificates until such time as the requirements of the foregoing are satisfied.

#### ARTICLE V.

##### COVENANTS OF SELLER

The Seller agrees that:

5.1. FINANCIAL STATEMENTS, REPORTS AND DOCUMENTS. Subsequent to the Closing, and for as long as the Common Shares are held by the Trust (unless the Trustee shall otherwise consent in writing), the Seller shall deliver to the Trustee each of the following:

(a) ANNUAL STATEMENTS. As soon as available and in any event within one hundred twenty (120) days after the close of each fiscal year of the Seller, copies of the consolidated balance sheet of the Seller and its subsidiaries as of the close of such fiscal year and consolidated statements of operations, statements of stockholders' equity and statements of cash flow of the Seller and its subsidiaries for such fiscal year, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and accompanied by an opinion thereon of Arthur Andersen LLP, or of other independent public accountants of recognized national standing, to the effect that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, includes such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(b) SEC AND OTHER REPORTS. Promptly upon their becoming available, one copy of each financial statement, report, notice or proxy statement sent by the Seller to stockholders generally and of each regular or periodic report, registration statement or prospectus (other than any registration statement on Form S-8 and its related prospectus)

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filed by the Seller with the Securities and Exchange Commission or any successor agency; and

(c) OTHER INFORMATION. Such other information concerning the business, properties or financial condition of the Seller as the Trustee shall reasonably request.

The Seller will comply with all federal, state, local and foreign laws, regulations or orders, and all the rules of any stock exchange or similar entity which are applicable to it or to the conduct of its business, and, without limiting the generality of the foregoing, shall make such filings, distributions and disclosures as are required by the 1933 Act, the 1934 Act or any of the regulations, rules or orders promulgated thereunder, insofar as the failure to comply would materially and adversely affect the Seller and its subsidiaries taken as a whole. The Seller will maintain complete and accurate books, records and accounts in accordance with the requirements of Section 13(b)(2) under the 1934 Act.

5.2. REGISTRATION; LISTING. If so requested by the Trustee, the

Seller shall cause the Common Shares to be listed on the New York Stock Exchange, Inc. The Seller will, as promptly as practicable (but in any event within 75 days) after a request by the Trustee, prepare for filing at the Seller's expense a registration statement with the Securities and Exchange Commission sufficient to permit the public offering of such Common Shares in accordance with the terms of this Agreement, and the Seller will use its best efforts in all matters necessary or advisable to cause such registration statement to become effective as promptly as practicable and to remain effective for a reasonable period, all to the extent requisite to permit the sale or other disposition of such Common Shares. The Seller shall also use its best efforts to register or qualify the Common Shares so registered under the securities blue sky laws of such jurisdictions within the United States as the Trustee may reasonably request; provided, however, that the Seller shall not be required to consent to general service of process for all purposes in any jurisdiction where it is not then qualified.

#### ARTICLE VI.

##### CONDITIONS TO CLOSING

6.1. CONDITIONS TO OBLIGATIONS OF THE PURCHASER. The obligation of the Purchaser to purchase the Common Shares is subject to the satisfaction of the following conditions on the date of Closing:

(a) The representations and warranties of the Seller set forth in Article II hereof shall be true and correct; and if the Closing shall occur on a date other than the date of this Agreement, the Purchaser shall have been furnished with a certificate, dated the date of the Closing, to such effect, signed by an authorized officer of the Seller; and

(b) All permits, approvals, authorizations and consents of third parties necessary for the consummation of the transactions herein shall have been obtained, and no order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated by this Agreement.

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6.2. CONDITIONS TO OBLIGATIONS OF THE SELLER. The obligation of the Seller to issue, sell and deliver the Common Shares to the Purchaser is subject to the satisfaction of the following conditions on the date of Closing:

(a) The representations and warranties of the Purchaser set forth in Article III hereof shall be true and correct; and if the Closing shall occur on a date other than the date of this Agreement, the Seller shall have been furnished with a certificate dated the date of the Closing, to such effect, signed by an authorized officer of the Trustee; and

(b) No order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated by this Agreement.

#### ARTICLE VII.

##### MISCELLANEOUS

7.1. EXPENSES. The Seller shall pay all of its expenses, and it shall pay the Purchaser's expenses, in connection with the authorization, preparation, execution and performance of this Agreement, including without limitation the reasonable fees and expenses of the Trustee, its agents, representatives, counsel, financial advisors and consultants.

7.2. SURVIVAL OF SELLER'S REPRESENTATIONS AND WARRANTIES. All representations and warranties made by the Seller to the Purchaser in this Agreement shall survive the Closing.

7.3. NOTICES. All notices, requests, or other communications required or permitted to be delivered hereunder shall be in writing, delivered by registered or certified mail, return receipt requested, as follows:

(a) To the Seller:

Quanta Services, Inc.  
1360 Post Oak Boulevard, Suite 2100  
Houston, TX 77056  
Attention: General Counsel

(b) To the Purchaser:

Wachovia Bank, N.A.  
One West Fourth Street, NC6251  
Winston-Salem, NC 27012

Any party hereto may from time to time, by written notice given as aforesaid, designate any other address to which notices, requests or other communications addressed to it shall be sent.

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7.4. SPECIFIC PERFORMANCE. The parties hereto acknowledge that damages would be an inadequate remedy for any breach of the provisions of this Agreement and agree that the obligations of the parties hereunder shall be specifically enforceable, and neither party will take any action to impede the other from seeking to enforce such rights of specific performance.

7.5. SUCCESSORS AND ASSIGNS; INTEGRATION; ASSIGNMENT. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective legal representatives, successors and assigns. This Agreement (a) constitutes, together with the Note, the Trust Agreement and any other written agreements between the Purchaser and the Seller executed and delivered on the date hereof, the entire agreement between the parties hereto and supersedes all other prior agreements and understandings, both written and oral, among the parties, with respect to the subject matter hereof, (b) shall not confer upon any person other than the parties hereto any rights or remedies hereunder and (c) shall not be assignable by operation of law or otherwise, except that the Trustee may assign all its rights hereunder to any corporation or other institution exercising trust powers in connection with any such institution assuming the duties of a trustee under the Trust.

7.6. GOVERNING LAW; JURISDICTION AND VENUE. The laws of the State of Delaware shall be the controlling law in all matters relating to the Trust, without regard to conflicts of law. The parties hereto irrevocably agree that any legal action or proceeding arising out of or relating to this Agreement shall be brought and determined in the courts of the State of Delaware, and each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding to the exclusive jurisdiction of the aforesaid courts. Each of the parties hereto hereby irrevocably waives and agrees not to assert in any action or proceeding with respect to this Agreement, any claim (a) that it is not personally subject to the jurisdiction of the above-named courts for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts, or (c) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

7.7. FURTHER ASSURANCES. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

7.8. AMENDMENT AND WAIVER. No amendment or waiver of any provision of this Agreement or consent to departure therefrom shall be effective unless in writing and signed by the Purchaser and the Seller.

7.9. COUNTERPARTS. This Agreement may be executed in any number of counterparts with the same effect as if the signatures thereto were upon one instrument.

7.10. CERTAIN LIMITATIONS. The execution, delivery and performance by the Trustee of this Agreement have been, and will be, effected by the Trustee solely in its capacity as Trustee under the terms of the Trust and not in its individual or corporate capacity. Nothing in

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this Agreement shall be interpreted to increase, decrease or modify in any manner any liability of the Trustee to the Seller or to any trustee, representative or other claimant by right of the Seller resulting from the Trustee's performance of its duties under the constituent instruments of the Trust, and no personal or corporate liability shall be asserted or enforceable against the Trustee by reason of any of the covenants, statements or representations contained in this Agreement.

7.11. INCORPORATION. The terms and conditions of the Trust Agreement relating to the nature of the responsibilities of the Trustee and the indemnification of the Trustee by the Seller are incorporated herein by reference and made applicable to this Agreement.

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IN WITNESS WHEREOF, the undersigned have duly executed this Agreement on the date and year first above written.

QUANTA SERVICES, INC.

By: /s/ Dana A. Gordon

-----  
Name: Dana A. Gordon  
Title: VP - General Counsel

WACHOVIA BANK, N.A.

By: /s/ John M. Smith, III

-----  
Name: John M. Smith, III  
Title: Senior Vice President

APPENDIX I

PROMISSORY NOTE

\$132,079,929.86  
Houston, Texas

March 13, 2002

FOR VALUE RECEIVED, the undersigned, Wachovia Bank, N.A., not in its individual or corporate capacity but solely in its capacity as Trustee of the Quanta Services, Inc. Stock Employee Compensation Trust (the "TRUST") hereby promises on behalf of the Trust to pay to the order of Quanta Services, Inc., a Delaware corporation (the "COMPANY"), at the principal offices of the Company in Houston, Texas, or at such other place as the Company shall designate in writing, the aggregate principal amount of one hundred thirty-two million seventy-nine thousand nine hundred twenty-nine dollars and eighty-six cents (\$132,079,929.86), as shown on Schedule A attached hereto as such may be amended from time to time, with interest in arrears thereon, as hereinafter provided.

Principal shall be paid in installments in the amounts and on the dates set forth on the Maturity Schedule attached hereto as Schedule A, the last such installment due on January 1, 2017; provided, however, that this Note may be prepaid in whole or in part at any time without penalty; and provided further that the principal amount of this Note shall be deemed forgiven, if applicable, in accordance with Section 2.1 of the Trust. Interest on the unpaid principal balance, at an annual interest rate equal to 6.50%, shall be paid quarterly, in arrears, on each January 1, April 1, July 1 and October 1, commencing April 1, 2002, and shall be calculated on the basis of a 360-day year of 30-day months. Whenever any payment falls due on a Saturday, Sunday or public holiday, such payment shall be made on the next succeeding business day.

This Note shall be construed under the laws of the State of Delaware.

The undersigned represents and warrants that the indebtedness represented by this Note was incurred for the purpose of purchasing shares of Common Stock, \$0.00001 par value, of the Company.

This Note may not be assigned by the Company, other than by operation of law, without the prior express written consent of the undersigned.

The Company shall have no recourse whatsoever to any assets of the Trustee in its individual or corporate capacity for repayment. The Trustee is entering into this Agreement not in its individual or corporate capacity but solely as Trustee, and no personal or corporate liability or personal or corporate responsibilities are assumed by, or shall at any time be asserted or enforceable against, the Trustee in its individual or corporate capacity under, or with respect to, this Agreement.

WACHOVIA BANK, N.A.,  
on behalf of the QUANTA SERVICES, INC. STOCK  
EMPLOYEE COMPENSATION TRUST

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE A

MATURITY SCHEDULE

<TABLE>  
<CAPTION>

| Date     | Principal | Interest  | Amount    | Date     | Principal    | Interest  | Amount       |
|----------|-----------|-----------|-----------|----------|--------------|-----------|--------------|
| <S>      | <C>       | <C>       | <C>       | <C>      | <C>          | <C>       | <C>          |
| 04/01/02 | 1,750,000 | 1,073,149 | 2,823,149 | 10/01/09 | 1,750,000    | 1,293,174 | 3,043,174    |
| 07/01/02 | 1,750,000 | 2,117,861 | 3,867,861 | 01/01/10 | 1,750,000    | 1,264,736 | 3,014,736    |
| 10/01/02 | 1,750,000 | 2,089,424 | 3,839,424 | 04/01/10 | 1,750,000    | 1,236,299 | 2,986,299    |
| 01/01/03 | 1,750,000 | 2,060,986 | 3,810,986 | 07/01/10 | 1,750,000    | 1,207,861 | 2,957,861    |
| 04/01/03 | 1,750,000 | 2,032,549 | 3,782,549 | 10/01/10 | 1,750,000    | 1,179,424 | 2,929,424    |
| 07/01/03 | 1,750,000 | 2,004,111 | 3,754,111 | 01/01/11 | 1,750,000    | 1,150,986 | 2,900,986    |
| 10/01/03 | 1,750,000 | 1,975,674 | 3,725,674 | 04/01/11 | 1,750,000    | 1,122,549 | 2,872,549    |
| 01/01/04 | 1,750,000 | 1,947,236 | 3,697,236 | 07/01/11 | 1,750,000    | 1,094,111 | 2,844,111    |
| 04/01/04 | 1,750,000 | 1,918,799 | 3,668,799 | 10/01/11 | 1,750,000    | 1,065,674 | 2,815,674    |
| 07/01/04 | 1,750,000 | 1,890,361 | 3,640,361 | 01/01/12 | 1,750,000    | 1,037,236 | 2,787,236    |
| 10/01/04 | 1,750,000 | 1,861,924 | 3,611,924 | 04/01/12 | 3,103,996    | 1,008,799 | 4,112,795    |
| 01/01/05 | 1,750,000 | 1,833,486 | 3,583,486 | 07/01/12 | 3,103,996    | 958,359   | 4,062,355    |
| 04/01/05 | 1,750,000 | 1,805,049 | 3,555,049 | 10/01/12 | 3,103,996    | 907,919   | 4,011,915    |
| 07/01/05 | 1,750,000 | 1,776,611 | 3,526,611 | 01/01/13 | 3,103,996    | 857,479   | 3,961,476    |
| 10/01/05 | 1,750,000 | 1,748,174 | 3,498,174 | 04/01/13 | 3,103,996    | 807,039   | 3,911,036    |
| 01/01/06 | 1,750,000 | 1,719,736 | 3,469,736 | 07/01/13 | 3,103,996    | 756,599   | 3,860,596    |
| 04/01/06 | 1,750,000 | 1,691,299 | 3,441,299 | 10/01/13 | 3,103,996    | 706,159   | 3,810,156    |
| 07/01/06 | 1,750,000 | 1,662,861 | 3,412,861 | 01/01/14 | 3,103,996    | 655,719   | 3,759,716    |
| 10/01/06 | 1,750,000 | 1,634,424 | 3,384,424 | 04/01/14 | 3,103,996    | 605,279   | 3,709,276    |
| 01/01/07 | 1,750,000 | 1,605,986 | 3,355,986 | 07/01/14 | 3,103,996    | 554,839   | 3,658,836    |
| 04/01/07 | 1,750,000 | 1,577,549 | 3,327,549 | 10/01/14 | 3,103,996    | 504,399   | 3,608,396    |
| 07/01/07 | 1,750,000 | 1,549,111 | 3,299,111 | 01/01/15 | 3,103,996    | 453,959   | 3,557,956    |
| 10/01/07 | 1,750,000 | 1,520,674 | 3,270,674 | 04/01/15 | 3,103,996    | 403,520   | 3,507,516    |
| 01/01/08 | 1,750,000 | 1,492,236 | 3,242,236 | 07/01/15 | 3,103,996    | 353,080   | 3,457,076    |
| 04/01/08 | 1,750,000 | 1,463,799 | 3,213,799 | 10/01/15 | 3,103,996    | 302,640   | 3,406,636    |
| 07/01/08 | 1,750,000 | 1,435,361 | 3,185,361 | 01/01/16 | 3,103,996    | 252,200   | 3,356,196    |
| 10/01/08 | 1,750,000 | 1,406,924 | 3,156,924 | 04/01/16 | 3,103,996    | 201,760   | 3,305,756    |
| 01/01/09 | 1,750,000 | 1,378,486 | 3,128,486 | 07/01/16 | 3,103,996    | 151,320   | 3,255,316    |
| 04/01/09 | 1,750,000 | 1,350,049 | 3,100,049 | 10/01/16 | 3,103,996    | 100,880   | 3,204,876    |
| 07/01/09 | 1,750,000 | 1,321,611 | 3,071,611 | 01/01/17 | 3,103,995.86 | 50,439.93 | 3,154,435.79 |

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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and John R. Colson ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

## 2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be

paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the

Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last

day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employer in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination; except that, if the Employee voluntarily terminates employment during the 30-day period immediately following the sixth month anniversary of the Effective Date, the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall continue to apply.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

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(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other

Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such

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interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

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(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to

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be repaid and the amount of such advance shall offset, to the extent

thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

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(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions

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of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ John R. Colson

By: /s/ Vince D. Foster

Its: Chairman of the Board of Directors

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Peter T. Dameris ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been

Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation,

tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employee or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire

membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employer for any reason during (x) the five-day period immediately preceding the Effective Date and/or (y) the 30-day period immediately following the six-month anniversary of the Effective Date, shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining

eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each

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case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without

further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f)(2)(A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise

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Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

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(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the

Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employer, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

### 13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business

and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Peter T. Dameris

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[EMPLOYEE]

By: /s/ John R. Colson

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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Dana A. Gordon ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies

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and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the

Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant

to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employer for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employer shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employer for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date, shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employer for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as

defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employer shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed

with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each

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case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment

or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise

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Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employer that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has

occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

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(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the

Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business

and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Dana A. Gordon

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[EMPLOYEE]

By:/s/ John R. Colson

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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Nicholas M. Grindstaff ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies

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and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the

Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant

to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employer for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employer shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employer for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date, shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employer for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as

defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employer shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed

with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each

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case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment

or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise

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Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employer that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employer shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has

occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

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(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the

Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business

and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Nicholas M. Grindstaff

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[EMPLOYEE]

By:/s/ John R. Colson

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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Frederick M. Haag ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

## 2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be

paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the

Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last

day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination; except that, if the Employee voluntarily terminates employment during the 30-day period immediately following the sixth month anniversary of the Effective Date, the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall continue to apply.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

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(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other

Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such

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interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

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(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to

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be repaid and the amount of such advance shall offset, to the extent

thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

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(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions

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of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Frederick M. Haag

By:/s/ John R. Colson

Its: Chief Executive Officer

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and James H. Haddox ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been

Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation,

tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employee or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire

membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employer for any reason during (x) the five-day period immediately preceding the Effective Date and/or (y) the 30-day period immediately following the six-month anniversary of the Effective Date, shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining

eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each

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case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without

further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f)(2)(A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise

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Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

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(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the

Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employer, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

### 13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business

and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ James H. Haddox

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[EMPLOYEE]

By:/s/ John R. Colson

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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Derrick A. Jensen ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies

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and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the

Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant

to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employer for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employer shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employer for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date, shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employer for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as

defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employer shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed

with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each

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case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment

or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise

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Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employer that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has

occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

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(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the

Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business

and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

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18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Derrick A. Jensen

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[EMPLOYEE]

By:/s/ John R. Colson

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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Elliott C. Robbins ("Employee"), is hereby entered into as of the 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly

base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee

shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

#### 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employee or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose

(after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive.

(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the

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specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employee for Good Reason, the date of receipt of the Notice of Termination

or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts

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described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) two and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the second anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for two years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the second anniversary of the Date of Termination and to have retired on the last day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its

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affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason,

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this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such

plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employer of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

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(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period

that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

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(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts

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by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts

otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer"

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shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of

the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

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19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Elliott C. Robbins

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[EMPLOYEE]

By: /s/ John R. Colson

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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Gary W. Smith ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be

paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employer's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the

Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last

day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employee in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination; except that, if the Employee voluntarily terminates employment during the 30-day period immediately following the sixth month anniversary of the Effective Date, the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall continue to apply.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

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(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other

Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such

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interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

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(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to

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be repaid and the amount of such advance shall offset, to the extent

thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

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(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions

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of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Gary W. Smith  
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By: /s/ John R. Colson  
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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Luke T. Spalj ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be

paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the

Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last

day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employer in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination; except that, if the Employee voluntarily terminates employment during the 30-day period immediately following the sixth month anniversary of the Effective Date, the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall continue to apply.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

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(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other

Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such

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interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

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(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to

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be repaid and the amount of such advance shall offset, to the extent

thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

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(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions

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of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Luke T. Spalj

By: /s/ John R. Colson

Its: Chief Executive Officer

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and Gary A. Tucci ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be

paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the

Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last

day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employer in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination; except that, if the Employee voluntarily terminates employment during the 30-day period immediately following the sixth month anniversary of the Effective Date, the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall continue to apply.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

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(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other

Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such

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interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

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(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to

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be repaid and the amount of such advance shall offset, to the extent

thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

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(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions

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of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ Gary A. Tucci  
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By:/s/ John R. Colson  
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Its: Chief Executive Officer  
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## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), by and between Quanta Services, Inc., a Delaware corporation, and its affiliates (collectively, "Employer"), and John R. Wilson ("Employee"), is hereby entered into this 13th day of March 2002 ("Execution Date").

## R E C I T A L S

A. As of the Execution Date, Employer is engaged primarily in the business of specialized construction contracting and/or maintenance services to: electric utilities; telecommunication, cable television and natural gas operators; governmental entities; the transportation industry; and commercial and industrial customers.

B. Employee is employed hereunder by Employer in a position that is critical to the Employer's continued operation.

C. The Special Committee of the Employer's Board of Directors (the "Board"), has determined that it is in the best interests of the Employer and its stockholders to assure that the Employer will have the continued dedication of the Employee, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Employer. The Board believes it is imperative to diminish the inevitable distraction of the Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Employee's full attention and dedication to the Employer currently and in the event of any threatened or pending Change of Control, and to provide the Employee with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Employee will be satisfied and that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Employer to enter into this Agreement.

## A G R E E M E N T S

In consideration of the mutual promises, terms, covenants and conditions set forth herein and the performance of each, the parties hereto hereby agree as follows:

## 1. Certain Definitions.

(a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Employee's employment with the Employer is terminated prior to the date on which the Change of Control occurs, and if the Employee reasonably demonstrates that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the Execution Date hereof and ending on the third anniversary of the Execution Date; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Employer shall give notice to the Employee that the Change of Control Period shall not be so extended.

(c) The "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) The "Earlier Employment Agreement" shall mean any employment, severance or change in control agreement between the Employer and the Employee that existed and was effective as of the Execution Date. The Employee may elect in writing, on or before the Employee's Date of Termination, to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement.

2. Change of Control. For the purpose of this Agreement, a "Change of

Control" shall mean:

(a) Any person or entity, other than the Employer or an employee benefit plan of the Employer, acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the Exchange Act) of any voting security of the Employer and immediately after such acquisition such person or entity is, directly or indirectly, the Beneficial Owner of voting securities representing 50% or more of the total voting power of all of the then-outstanding voting securities of the Employer; or

(b) Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Employer's stockholders was approved by a vote of a majority of the directors then still in office who were directors as of the date hereof or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board; or

(c) The stockholders of the Employer shall approve a merger, consolidation, recapitalization or reorganization of the Employer, a reverse stock split of outstanding voting securities, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 50% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by at least 50% of the holders of outstanding voting securities of the Employer immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction; or

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(d) The stockholders of the Employer shall approve a plan of complete liquidation of the Employer or an agreement for the sale or disposition by the Employer of all or a substantial portion of the Employer's assets (i.e., 50% or more of the total assets of the Employer).

3. Employment Period. The Employer hereby agrees to continue the Employee in its employ, and the Employee hereby agrees to remain in the employ of the Employer subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

#### 4. Terms of Employment.

##### (a) Position and Duties.

(i) During the Employment Period, (A) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Employee's services shall be performed at the location where the Employee was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Employee is entitled, the Employee agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Employer and, to the extent necessary to discharge the responsibilities assigned to the Employee hereunder, to use the Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Employee to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Employee's responsibilities as an employee of the Employer in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Employee prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Employee's responsibilities to the Employer.

##### (b) Compensation.

(i) Base Salary. During the Employment Period, the Employee shall receive an annual base salary ("Annual Base Salary"), which shall be

paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the

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Employee by the Employer and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Employee prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Employer.

(ii) Annual Bonus. In addition to Annual Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Employee's highest bonus under the Employer's Management Incentive Bonus Plan, or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Employee was not employed by the Employer for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Employee shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Employer and its affiliated companies for the Employee under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Employee and/or the Employee's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Employer and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Employer and its affiliated companies, but in no event shall such plans, practices,

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policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

(v) Expenses. During the Employment Period, the Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable policies, practices and procedures of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Employee shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Employer and its affiliated companies in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Employee by the Employer and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as provided generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

(viii) Vacation. During the Employment Period, the Employee shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Employer and its affiliated companies as in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies.

## 5. Termination of Employment.

(a) Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

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Employer determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice in accordance with Section 14 of this Agreement of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Employer on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Employer or its insurers and acceptable to the Employer or the Employee's legal representative.

(b) Cause. The Employer may terminate the Employee's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

(ii) the willful engaging by the Employee in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Employer.

For purposes of this provision, no act or failure to act, on the part of the Employee, shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee's action or omission was in the best interests of the Employer. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Employer or based upon the advice of counsel for the Employer shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Employer. The cessation of employment of the Employee shall not be deemed to be for Cause unless and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the

Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(c) Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Employer that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(ii) any failure by the Employer to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Employer promptly after receipt of notice thereof given by the Employee;

(iii) the Employer's requiring the Employee to be based at any office or location other than as provided in Section 4(a) (i) (B) hereof or the Employer's requiring the Employee to travel on Employer business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Employer of the Employee's employment otherwise than as expressly permitted by this Agreement;

(v) any failure by the Employer to continue in effect any cash or stock-based incentive or bonus plan, retirement plan, welfare benefit plan or other compensation, retirement or benefit plan, practice, policy, and program, unless the aggregate value (as computed by an independent employee benefits consultant selected by the Employer and acceptable to the Employee or the Employee's legal representative) of all such compensation, retirement or benefit plans, practices, policies and programs provided to the Employee is not materially less than their aggregate value as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies ; or

(vi) any failure by the Employer to comply with and satisfy Section 13(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Employee for any reason during the 30-day period immediately following the six-month anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

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(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Employee or the Employer to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Employee or the Employer, respectively, hereunder or preclude the Employee or the Employer, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Employee's employment is terminated by the Employer for Cause, or by the Employer for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Employee's employment is terminated by the Employer other than for Cause or Disability, the Date of Termination shall be the date on which the Employer notifies the Employee of such termination and (iii) if the Employee's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Employee or the Disability Effective Date, as the case may be.

#### 6. Obligations of the Employer upon Termination.

(a) Good Reason; Death; Disability; and Other Than for Cause. If, during the Employment Period, the Employer shall terminate the Employee's employment other than for Cause, the Employee shall terminate employment for Good Reason, or the Employee's employment shall terminate due to death or Disability:

(i) the Employer shall pay to the Employee in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Employee's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than 12 full months or during which the Employee was employed for less than 12 full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any

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compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Employee's Annual Base Salary and (y) the Highest Annual Bonus;

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997 Stock Option Plan, the Quanta Services, Inc. 2001 Stock Incentive Plan and/or any similar or successor stock plan or program, will become fully vested immediately on or prior to the Employee's Date of Termination. The Employer agrees that for purposes of determining the continued exercisability of Employee's stock options outstanding on the Date of Termination, Employee shall be considered to have remained employed by the Employer until the third anniversary of the Date of Termination. Nothing in this subparagraph (ii) shall be deemed to extend the expiration date of any stock option granted under the applicable stock plan(s) or program(s) past the original expiration date of such stock option as determined at the time of grant;

(iii) for three years after the Employee's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Employer shall continue benefits to the Employee and/or the Employee's family at least equal to those that would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Employee's employment had not been terminated or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to other peer executives of the Employer and its affiliated companies and their families, provided, however, that if the Employee becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until the third anniversary of the Date of Termination and to have retired on the last

day of such period;

(iv) the Employer shall, at its sole expense as incurred, provide the Employee with outplacement services the scope and provider of which shall be selected by the Employer in his sole discretion;

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to

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be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

(vi) the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall cease to apply effective as of the Date of Termination; except that, if the Employee voluntarily terminates employment during the 30-day period immediately following the sixth month anniversary of the Effective Date, the covenant of non-competition, and any other restrictive covenants applicable to the Employee under any employment or other agreement between the Employer and the Employee shall continue to apply.

(b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Employee's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Employer and affiliated companies to the estates and beneficiaries of peer executives of the Employer and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee's estate and/or the Employee's beneficiaries, as in effect on the date of the Employee's death with respect to other peer executives of the Employer and its affiliated companies and their beneficiaries.

(c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, the Employer shall pay the amounts and provide the benefits described in Section 6(a), pay the Accrued Obligations to the Employee's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination, and timely pay or provide the Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Employee shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Employer and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Employee and/or the Employee's family, as in effect at any time thereafter generally with respect to other peer executives of the Employer and its affiliated companies and their families.

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(d) Cause; Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Employee, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Employee voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other

Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Employer or any of its affiliated companies and for which the Employee may qualify, nor, subject to Section 12, shall anything herein limit or otherwise affect such rights as the Employee may have under any contract or agreement with the Employer or any of its affiliated companies. Amounts that are vested benefits or that the Employee is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Employer or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Employer's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Employer may have against the Employee or others. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Employee obtains other employment. The Employer agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses that the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Employer, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Employee about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Code Section 7872(f) (2) (A).

9. Certain Additional Payments by the Employer.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Employer or its affiliates to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Code Section 4999 or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such

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interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Employer. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Employee shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Employer. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Employer to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Employer and the Employee. As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Employer should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Employer exhausts its remedies pursuant to Section 9(c) and the Employee thereafter is required to make a payment of any Excise Tax,

the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee.

(c) The Employee shall notify the Employer in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Employer of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Employer (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Employer notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim,

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(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer,

(iii) cooperate with the Employer in good faith in order effectively to contest such claim, and

(iv) permit the Employer to participate in any proceedings relating to such claim;

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Employer's complying with the requirements of Section 9(c)) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Employer pursuant to Section 9(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Employer does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to

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be repaid and the amount of such advance shall offset, to the extent

thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Employee or representatives of the Employee in violation of this Agreement). After termination of the Employee's employment with the Employer, the Employee shall not, without the prior written consent of the Employer or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Employer and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Employee under this Agreement.

11. Insurance and Indemnification. For the period from the Effective Date through at least the tenth anniversary of the Employee's termination of employment from the Employer, the Employer shall maintain the Employee as an insured party on all directors' and officers' insurance maintained by the Employer for the benefit of its directors and officers on at least the same basis as all other covered individuals and provide the Employee with at least the same corporate indemnification as it provides to the peer executives of the Employer.

12. Earlier Employment Agreement. Except as provided in the following sentence, from and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. The Employee may elect in writing to have any term, provision and/or definition under the Employees' Earlier Employment Agreement apply in lieu of any similar term, provision and/or definition of this Agreement, except to the extent that such application would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement. All determinations required to be made under this Section, including whether and when a term, provision and/or definition under the Employees' Earlier Employment Agreement would produce duplicate payments or benefits under this Agreement and such Earlier Employment Agreement and the assumptions to be utilized in arriving at such determination, shall be made by the Accounting Firm or such other nationally recognized compensation and benefits consulting firm as the Employee may designate, which shall provide detailed supporting calculations both to the Employer and the Employee within 15 business days of the receipt of written notice from the Employee, or such earlier time as is requested by the Employer. All fees and expenses of the Accounting Firm (or such other firm designated) shall be borne solely by the Employer.

13. Successors.

(a) This Agreement is personal to the Employee and without the prior written consent of the Employer shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives.

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(b) This Agreement shall inure to the benefit of and be binding upon the Employer and its successors and assigns.

(c) The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. As used in this Agreement, "Employer" shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

14. Notice. Any notice required pursuant to this Agreement will be in writing and will be deemed given upon the earlier of (i) delivery thereof, if by hand, (ii) three business days after mailing if sent by mail (registered or certified mail, postage prepaid, return receipt requested), (iii) the next business day after deposit if sent by a recognized overnight delivery service, or (iv) upon transmission if sent by facsimile transmission or by electronic mail, with return notification (provided that any notice sent by facsimile or electronic mail shall also promptly be sent by one of the means described in clauses (i) through (iii) of this Section. Any notice or document required to be given or filed with the Employer is properly given or filed if delivered to the Employer at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056, Attention: General Counsel. Any notice or document required to be given or filed with a Employee is properly given or filed if delivered to the Employee at the most recent address shown on the Employer's records. A party may change its

address for notice by the giving of notice thereof in the manner hereinabove provided.

15. Severability, Headings. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. The section headings herein are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent or intent of the Agreement or of any part hereof.

16. Arbitration. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Houston, Texas, in accordance with the rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or the controversy; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Employee shall be entitled to seek specific performance of the Employee's right to be paid until the Employee's Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. A decision by a majority of the arbitration panel shall be final and binding. The direct expense of any arbitration proceeding shall be borne by Employer.

17. Governing Law. This Agreement shall in all respects be construed according to the laws of the State of Texas, without reference to principles of conflict of laws. The captions

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of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

18. Withholding. The Employer may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

19. No Waiver. The Employee's or the Employer's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Employee or the Employer may have hereunder, including, without limitation, the right of the Employee to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Claims. All claims by the Employee for payments or benefits under this Agreement shall be directed to and determined by the Employer's Board of Directors (or such committee to which the Board delegates authority under this Section) and shall be in writing. Any denial by the Board (or such committee) of a claim for benefits under this Agreement shall be delivered to the Employee in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board (or committee) shall afford the Employee a reasonable opportunity for a review of the decision denying a claim and shall further allow the Employee to appeal the decision within 60 days after the Board (or committee) gives notice that it has denied Employee's claim.

21. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Employee has hereunto set the Employee's hand and, pursuant to the authorization from its Board of Directors, the Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

QUANTA SERVICES, INC.

/s/ John R. Wilson

By: /s/ John R. Colson

Its: Chief Executive Officer

FOR IMMEDIATE RELEASE

&lt;TABLE&gt;

&lt;CAPTION&gt;

Contacts:

&lt;S&gt;

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&lt;/TABLE&gt;

QUANTA BOARD TAKES STEPS TO ENHANCE STOCKHOLDER VALUE

REVISES RIGHTS PLAN TO PERMIT OFFERS BENEFITING ALL STOCKHOLDERS

AUTHORIZES GOLDMAN, SACHS TO EXPLORE STRATEGIC OPTIONS

CREATES STOCK EMPLOYEE COMPENSATION TRUST

HOUSTON - MARCH 14, 2002 - Quanta Services, Inc. (NYSE: PWR), a leading provider of specialized contracting services to the electric power, gas, telecommunications and cable television industries, today announced that its Board of Directors, acting through its Special Committee comprised of all directors not designated by UtiliCorp United Inc. (NYSE: UCU), has approved a series of immediate steps to enhance stockholder value.

These steps include an amendment to the stockholder rights plan providing that the Rights would not apply to an offer for all of the shares in a manner that treats all stockholders equally if that offer is accepted by the Company's public stockholders. The revised plan - known in the financial community as a "chewable pill" - would also require the bidder to commit irrevocably to purchase all shares not tendered at the same price paid to the tendering stockholders.

Reflecting Quanta's commitment to stock-based compensation and incentives for employees, Quanta's Board also authorized the formation of a Stock Employee Compensation Trust (SECT). The SECT will hold 8 million shares of common stock to fund a portion of the Company's employee benefit obligations during the next 15 years. The shares will be transferred from the trust into various employee benefit programs in settlement of a note issued by the SECT to the Company to acquire the shares. The plan will reduce the Company's cash obligations to fund these programs and provide Quanta with a pre-determined method to increase the Company's equity base over time, with a positive impact on Quanta's credit ratios, while increasing equity.

The Board also authorized its financial advisor, Goldman, Sachs & Co., to explore a range of additional strategic options, including potential acquisitions, stock repurchases, recapitalizations and other extraordinary transactions, provided that such transactions do not enable UtiliCorp to achieve a control position without offering appropriate value and protections for Quanta's other stockholders. Included under consideration is a possible stock repurchase that would be conditional on the pro-rata participation of UtiliCorp.

John R. Colson, Chief Executive Officer of Quanta, said, "The actions taken by the Quanta Board today and the other strategic initiatives we have asked our advisors to evaluate are designed to deliver immediate value to the Company's stockholders. The amended stockholder rights plan will continue to protect the interests of our investors against partial or creeping takeover efforts, while not interfering with any serious offer to acquire Quanta in a transaction that treats all stockholders equally. The SECT provides Quanta greater financial flexibility and underscores our commitment to our employees."

Colson continued: "UtiliCorp's disingenuous statements notwithstanding, recent news about their Fitch downgrade and dispute with Chubb over putting up collateral for surety bonds highlights UtiliCorp's need to find earnings somewhere, somehow. That, however, should not and does not factor into our decision making. Quanta's Board of Directors has a responsibility to protect all of our stockholders and we will continue to vigorously oppose UtiliCorp's efforts to take control of Quanta without providing the appropriate benefits to our other stockholders in order to satisfy their own accounting imperatives."

Colson concluded, "We categorically reject UtiliCorp's public statements about Quanta's performance. In a challenging business environment, Quanta has generated better financial results than its competitors. UtiliCorp's vague proposals offer nothing concrete to Quanta's other stockholders, and we don't see how anyone but UtiliCorp would benefit if its sponsored nominees were elected."

Quanta's Board also announced that the Company has adopted standardized change of control provisions for contracts of certain key corporate and operating unit employees, a number of whom already had employment contracts. These new agreements will help to ensure continuity of Quanta's business and allow the Company's employees to focus on meeting their business objectives in the face of UtiliCorp's hostile proxy contest.

Quanta Services, Inc. is a leading provider of specialized contracting services, delivering end-to-end network solutions for electric power, gas, telecommunications and cable television industries. The Company's comprehensive services include designing, installing, repairing and maintaining network infrastructure nationwide.

Quanta Services has scheduled a conference call to discuss the steps taken by the Board of Directors for Thursday, March 14, 2002, at 9:00 a.m. eastern time. To participate in the call, dial 913-981-4900 at least 10 minutes before the conference call begins and ask for the Quanta Services conference call. Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting the Company's new website at [www.quantaservices.com](http://www.quantaservices.com). To listen to the live call on the web, please visit the Quanta Services website at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live webcast, an archive will be available shortly after the call on the Company's website at [www.quantaservices.com](http://www.quantaservices.com). A replay will also be available through March 21, 2002, and may be accessed by calling 719-457-0820 and using pass code 694865. For more information, please contact Lisa Elliot at Easterly Investor Relations by calling (713) 529-6600.

#### Important Information

Quanta Services, Inc. plans to file a proxy statement with the Securities and Exchange Commission relating to Quanta's solicitation of proxies from its stockholders with respect to the Quanta Services, Inc. 2002 annual meeting of stockholders. Quanta Services, Inc. advises security holders to read its proxy statement when it becomes available, because it will contain important information. Quanta's proxy statement and other relevant documents will be available for free at [www.sec.gov](http://www.sec.gov). You may also obtain a free copy of Quanta's proxy statement, when it becomes available, by writing to Quanta Services, Inc. at 1360 Post Oak Boulevard, Suite 2100, Houston, Texas 77056 or by contacting MacKenzie Partners, Inc., toll free at 1-800-322-2885. Detailed information regarding the names, affiliation and interests of individuals who may be deemed participants in the solicitation of proxies of Quanta's stockholders is available in the soliciting materials on Schedule 14A filed by Quanta with the SEC.

This press release contains various forward-looking statements and information, including management's expectations of the impact of new branding and marketing initiatives. Although the company believes that the expectations reflected in such forward-looking statements are reasonable; it can give no assurance that such expectations will prove to have been correct. Such statements are subject to certain risks, uncertainties and assumptions including, among other matters, future growth in the electric utility and telecommunications outsourcing industry, the ability of Quanta to complete acquisitions and to effectively integrate the operations of acquired companies, and uncertainties relating to UtiliCorp's hostile proxy fight for the Company, as well as general risks related to the industries in which Quanta operates. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. For a discussion of the risks, investors are urged to refer to the Company's reports filed under the Securities Exchange Act of 1934.