SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): May 20, 2002

Quanta services, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-13831	74-2851603
(Commission File No.)	(IRS Employer Identification No.)

1360 Post Oak Boulevard, Suite 2100
Houston, Texas 77056
(Address of principal executive offices, including ZIP code)

(713) 629-7600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

On May 20, 2002, Quanta Services, Inc., a Delaware corporation ("Quanta"), entered into a Settlement and Governance Agreement and an Amended and Restated Investor's Rights Agreement with Aquila, Inc. (formerly known as UtiliCorp United Inc.) ("Aquila"). Copies of the Settlement and Governance Agreement and the Amended and Restated Investor's Rights Agreement are attached to this filing as exhibits and are incorporated herein by reference.

On May 20, 2002, Quanta and Aquila issued a joint press release announcing, among other matters, the signing of the Settlement and Governance Agreement and the Amended and Restated Investor's Rights Agreement. A copy of the press release is attached to this filing as an exhibit and is incorporated herein by reference.

Under the Settlement and Governance Agreement, the full Board of Directors of the Company (the "Board") has been reconstituted to consist of ten people, with three Quanta-designated directors, three Aquila-designated directors, one Limited Vote Common Stock director and three independent directors (one designated by Aquila, one by Quanta and the third to be chosen by the first two). In accordance with these provisions, upon signing of the Settlement and Governance Agreement, the Company accepted the resignations of Louis C. Golm and Jerry J. Langdon from the Board, and appointed Keith G. Stamm and Edward K. Mills to fill the resulting vacancies on the Board. As a result of these changes to the composition of the Board, at the present time, there are nine directors on the Board: three Aquila-designated directors, Robert K. Green, Keith G. Stamm, and Edward K. Mills; three Company-designated directors, John R. Colson, Gary A. Tucci, and John R. Wilson; one Limited Vote Common Stock director, Vincent D. Foster; and two independent directors, James R. Ball (who was designated by the Company) and Terrence P. Dunn (who was designated by Aquila). Under the terms of the Settlement and Governance Agreement, Messrs. Ball and Dunn are to agree on the third independent director. The Settlement and Governance Agreement also provides that the foregoing Board members will constitute the slate of nominees for directors to be submitted to stockholders

for approval at the 2002 Annual Meeting of the Company, which has been postponed and will be held late in June. Additionally, on May 20, 2002, the Board approved the appointment of John R. Colson as Chairman of the Board.

ITEM 7. EXHIBITS.

10.1	Settlement and Governance Agreement between Quanta Services, Inc. and Aquila, Inc., dated as of May 20, 2002
10.2	Amended and Restated Investor's Rights Agreement between Quanta Services, Inc. and Aquila, Inc., dated as of May 20, 2002
99.1	Joint Press Release of Quanta Services, Inc. and Aquila, Inc., dated May 20, 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: May 22, 2002

QUANTA SERVICES, INC.

By: /s/ Dana Gordon

Name: Dana Gordon
Title: Vice President and General Counsel

EXHIBIT INDEX

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EXHIBIT 10.1

EXECUTION COPY

SETTLEMENT AND GOVERNANCE AGREEMENT

BETWEEN

QUANTA SERVICES, INC.

AND

AQUILA, INC.

DATED AS OF MAY 20, 2002

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SETTLEMENT AND GOVERNANCE AGREEMENT

SETTLEMENT AND GOVERNANCE AGREEMENT dated as of May 20, 2002 (this "AGREEMENT"), by and between QUANTA SERVICES, INC., a Delaware corporation (the "COMPANY"), and AQUILA, INC., a Delaware corporation ("STOCKHOLDER").

Capitalized terms used herein shall have their definitions set forth in ARTICLE I hereto.

WHEREAS, Stockholder is the Company's largest shareholder, currently owning 3,444,961 shares of Series A Preferred Stock and 12,018,374 Common Shares;

WHEREAS, certain disputes have arisen between the parties, who desire to resolve these matters effective immediately on the terms herein set forth; and

WHEREAS, the parties desire to enter into certain governance arrangements with respect to the Company;

NOW, THEREFORE, in consideration of the mutual representations and warranties, covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 DEFINITIONS. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"2002 ANNUAL MEETING" means the annual meeting of stockholders of the Company to be held in 2002 as contemplated by this Agreement.

"ACCEPTABLE SECURITIES" shall have the meaning specified in SECTION 5.05(C).

"AFFILIATE" of any Person shall mean any Person directly or indirectly controlled by, controlling or under common control with such first Person.

"AGREEMENT" shall have the meaning specified in the introductory paragraphs of this Agreement.

"ARBITRATION" means the arbitration proceeding commenced by Stockholder on November 28, 2001 with the American Arbitration Association pursuant to the terms of the Securities Purchase Agreement in respect of, among other things, alleged violations of such agreement by the Company.

"BENEFICIAL OWNERSHIP," "BENEFICIAL OWNER" and "BENEFICIALLY OWN" shall have the meanings ascribed to them in Rule 13d-3 under the Exchange Act in effect on the date hereof.

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

"BUSINESS DAY" means any day other than a Saturday, Sunday or legal holiday for commercial banks in Houston, Texas, Kansas City, Missouri or New York, New York.

"CAPITAL STOCK" of any Person means any and all shares, interests, participations or other equivalents (however designated) of, or rights, warrants or options to purchase, stock or any other equity interest (however designated) of or in such Person.

"COMMISSION" means the United States Securities and Exchange Commission.

"COMMON SHARES" means shares of Common Stock, par value $0.00001 per share, of the Company.

"COMPANY" shall have the meaning specified in the introductory paragraphs of this Agreement.

"DELAWARE RIGHTS PLAN LITIGATION" means the litigation commenced by Stockholder against the Company in the Court of Chancery of the State of Delaware on November 28, 2001 in respect of actions taken by the Board of Directors with respect to, among other things, the Stockholders Rights Plan.

"DELAWARE SECT LITIGATION" means the litigation commenced by Stockholder against the Company in the Court of Chancery of the State of Delaware on March 21, 2002 in respect of actions taken by the Board of Directors with respect to, among other things, the adoption of the Company's Stock Employee Compensation Trust.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

"GOVERNING INSTRUMENTS" means the Company's certificate of incorporation and bylaws, as each shall have been amended and/or restated from time to time.

"INDEPENDENT" means "independent" of the Company and of Stockholder within

the meaning established by the rules of the NYSE, provided, for avoidance of doubt, that Terrence P. Dunn and James R. Ball shall be considered Independent for purposes of this Agreement.

"INDEPENDENT COMMITTEE" shall have the meaning specified in SECTION 2.03(B).

"INITIAL BUYER" shall have the meaning specified in SECTION 5.05(A).

"INTERLOPER" shall have the meaning specified in SECTION 5.05(A).

"INVESTOR'S RIGHTS AGREEMENT" means the Amended and Restated Investor's Rights Agreement, dated as of May 20, 2002, between the Company and Stockholder including registration and pre-emptive rights relating to the Shares, as the same may be amended from time to time (including with respect to periods after the date hereof).

"MATCHING PROPOSAL" shall have the meaning specified in SECTION 5.05(A).

"NEW RIGHTS PLAN" shall have the meaning specified in SECTION 6.03.

"NOMINEES" shall have the meaning specified in SECTION 2.01.

"NYSE" shall mean the New York Stock Exchange, Inc.

"OUTSIDE DIRECTORS" shall have the meaning specified in SECTION 2.03(A).

"PERMITTED TRANSFER" shall have the meaning specified in SECTION 5.04(B).

"PERSON" means any individual, corporation, company, voluntary association, partnership, joint venture, trust, limited liability company, unincorporated organization or governmental authority, or any other form of entity.

"PROPOSAL" shall have the meaning specified in SECTION 2.02.

"SECT" shall have the meaning specified in SECTION 6.04.

"SECURITIES PURCHASE AGREEMENT" means the Securities Purchase Agreement between Stockholder and the Company dated as of September 21, 1999.

"SERIES A PREFERRED STOCK" means the Series A convertible preferred stock, par value $0.00001 per share, of the Company.

"SHARES" means Common Shares and/or shares of Series A Preferred Stock of the Company.

"STOCKHOLDER" shall have the meaning set forth in the introductory paragraphs of this Agreement.

"STOCKHOLDER CONTROL EVENT" shall have the meaning specified in SECTION 5.02.

"STOCKHOLDERS RIGHTS PLAN" means the Rights Agreement dated as of March 8, 2000 between the Company and American Stock Transfer & Trust Company, as Rights Agent, as amended.

"SUBSIDIARY" means any corporation of which at least a majority of the outstanding shares of stock having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by a Person or one or more of its Subsidiaries or by a Person and one or more of its Subsidiaries.

"SUPERIOR PROPOSAL" shall have the meaning specified in SECTION 5.05(B).

"TOPPING PERIOD" shall have the meaning specified in SECTION 5.05(A).

"TRANSFER" shall have the meaning specified in SECTION 5.04(A).

ARTICLE II

BOARD OF DIRECTORS

Section 2.01 TERMINATION OF PROXY CONTEST; AGREEMENT ON DIRECTORS. The Company and Stockholder agree that the pending proxy contest with respect to the election of directors at the 2002 Annual Meeting of the Company shall be terminated in accordance with the terms of this Agreement. The Company and Stockholder agree that each is hereby withdrawing its proposed nominees for

election to the Board of Directors and that the persons set forth on ANNEX I (the "NOMINEES") will be the nominees for election at the 2002 Annual Meeting to be supported by the Company and Stockholder. The Company and Stockholder shall take such actions as shall be necessary to ensure that the Nominees will become the members of the Board of Directors concurrently with the execution of this Agreement.

Section 2.02 POSTPONEMENT OF SCHEDULED MEETING. The Company will, concurrently with the execution of this Agreement, announce the postponement of the 2002 Annual Meeting, which is currently scheduled for May 23, 2002 until June 28, 2002 (or as soon thereafter as possible). The only matter to be submitted by the Board of Directors to a vote of the stockholders of the Company at the 2002 Annual Meeting shall be the election of the Nominees as directors of the Company (the "PROPOSAL"). The Company shall include in its amended proxy statement relating to the 2002 Annual Meeting the recommendation of the Board of Directors that the stockholders of the Company vote in favor of the adoption of the Proposal, and the Company shall use its reasonable best efforts to obtain such vote. Stockholder shall vote all of its Shares in favor of the Proposal at the 2002 Annual Meeting.

Section 2.03 INDEPENDENT COMMITTEE.

(a) OUTSIDE DIRECTORS. Unless and until all of the outstanding Capital Stock of the Company is owned by Stockholder, there will at all times be at least three directors on the Board of Directors who are Independent ("OUTSIDE DIRECTORS") of both the Company and Stockholder. Stockholder shall perform its obligations under this Article II by voting its Shares, and directing the directors which it is entitled to nominate by virtue of owning the Series A Preferred Stock to act, accordingly.

(b) INDEPENDENT COMMITTEE.

(i) Three of the Outside Directors shall constitute a standing Committee of Independent Directors (the "INDEPENDENT COMMITTEE"), which shall act by a majority vote of its members. The members of the Independent Committee shall consist of an Outside Director designated by the Stockholder, an Outside Director designated by the chief executive officer of the Company and a third Outside Director designated by the two foregoing Outside Directors in consultation with the chief executive officers of the Company and Stockholder. The initial members of the Independent Committee shall be Terrence P. Dunn, James R. Ball and a third Outside Director mutually agreed by Messrs. Dunn and Ball, after

consultation with the chief executive officers of the Company and Stockholder.

(ii) Prior to a Stockholder Control Event, the roles of the Independent Committee shall be (x) to review any tender or exchange offer proposed by Stockholder pursuant to Section 5.01 hereof to determine whether such transaction is fair to the stockholders of the Company other than Stockholder and (y) to make determinations from time to time at the request of the management of the Company or the Stockholder as to whether pursuing the Company's stock repurchase program at such time would jeopardize the financial integrity of the Company. After a Stockholder Control Event, the role of the Independent Committee shall be as specified in Article V hereof. In all matters the Independent Committee shall act in a manner that in its business judgment is in the best interests of the Company and the stockholders of the Company other than the Stockholder. The Independent Committee may engage its own counsel, investment advisers and such other advisers as in its judgment are necessary or appropriate, all at the expense of the Company. Any amendment of this Agreement, or the waiver of any term or condition hereof, at any time shall be subject to the approval of the Independent Committee.

(iii) STOCKHOLDER SUPPORT REQUIREMENT. At any vote of holders of the Capital Stock of the Company at which the election or removal of directors is in issue, Stockholder shall always vote all Shares owned by it in favor of the election to the Board of Directors of the members of the Independent Committee selected in accordance with this Section 2.03, and against the removal of such persons.

Section 2.04 BOARD SUPERMAJORITY ITEMS.

(a) STOCKHOLDER VETO. As long as Stockholder is entitled under the terms of the Series A Preferred Stock to elect one director to the Board of Directors, except for matters contemplated by this Agreement or the Governing Instruments (as to which no veto rights shall be applicable), the following actions may only be taken by the Company if they shall be approved by a majority of

the directors elected by the holders of the Series A Preferred Stock:

(i) Any amendments to or modifications of the Company's New Rights Plan, or adoption of a stockholder rights plan or similar plan or arrangement that has the effects of a stockholder rights plan;

(ii) Any amendments that modify the size of the Board of Directors; and

(iii) Any amendments to the Governing Instruments that are inconsistent with this Agreement.

(b) SUPERMAJORITY VOTE. As long as Stockholder Beneficially Owns not less than 25% of the voting power of the Capital Stock of the Company, the following actions may only be

taken by the Company if they shall be approved by at least seven out of ten directors (or while the Board of Directors consists of less than ten directors, six directors):

(i) DEBT INCURRENCE. The incurrence of debt (which, for clarification, shall not include draw-downs under existing credit facilities) unless such debt is rated investment grade by Moody's Investors Service, Standard and Poor's Corporation or Fitch Ratings; PROVIDED, HOWEVER, that incurrence by the Company or any of its Subsidiaries of debt in the ordinary course of business in amounts up to $10 million per individual incurrence and $50 million in the aggregate per year shall not be subject to this approval requirement; and

(ii) ISSUANCES OF EQUITY SECURITIES. Issuances of Capital Stock (including shares issued in acquisitions) for which the approval of the full Board of Directors or executive committee or similar committee (but, for clarification, not the Acquisition Committee or Small Acquisition Committee) would be required under applicable law or under the Board of Directors guidelines existing on the date hereof (which have been provided to Stockholder); PROVIDED, HOWEVER, that ordinary-course annual stock incentive grants consistent with past practice shall not be subject to this approval requirement.

Section 2.05 REPRESENTATION ON BOARD COMMITTEES. On every Committee of the Board of Directors (other than the Independent Committee and any other committee required by law or stock exchange regulation to consist entirely of Independent Directors), the Series A Preferred Stock is entitled to proportionate representation by the directors elected by the Series A Preferred Stock; PROVIDED that Terrence P. Dunn shall initially be deemed to be the representative of Series A Preferred Stock on the Company's Audit Committee; and provided further that the Outside Director nominated by Stockholder shall always be on Company's Audit Committee in lieu of a representative of the Series A Preferred Stock.

Section 2.06 SIZE OF BOARD. The Board of Directors shall consist of ten directors, as set forth in the Governing Instruments. Any vacancy on the Board of Directors caused by the resignation or removal of a director shall be filled immediately upon the direction of the Person entitled under the Governing Instruments or this Agreement to appoint the director who resigned or was removed. If the vacancy is a member of the Independent Committee, the individual shall be selected to fill the vacancy in accordance with Section 2.03(b)(i) hereof.

ARTICLE III

SETTLEMENT OF DISPUTES

Section 3.01 SETTLEMENT OF DISPUTES. Immediately upon execution of this Agreement, Stockholder and the Company shall take all necessary steps (including the filing of stipulations of dismissal or other pleadings) to cause the dismissal with prejudice of all judicial proceedings between the parties, including but not limited to the Delaware Rights Plan Litigation, the

Arbitration, and the Delaware SECT Litigation, and Stockholder and the Company shall deliver to each other releases in the forms attached hereto as Annex II.

ARTICLE IV

STANDSTILL AGREEMENT; TRANSFERS

Section 4.01 STANDSTILL. Subject to the provisions of Article V, Stockholder will not, and will not assist or encourage any other Person (including by providing financing) to, directly or indirectly through its Affiliates (other than any actions otherwise prohibited by this Section 4.01 that are taken by an officer and/or director of Stockholder serving on the Board of Directors solely in his capacity as a member of the Board of Directors), (i) acquire or agree to acquire ownership (including but not limited to Beneficial Ownership) of any additional shares of the Capital Stock of the Company without the prior approval of the Independent Committee (provided that the foregoing shall not impede (a) Stockholder's ability to transfer its Shares as permitted by this Agreement, exercise its pre-emptive rights as permitted by this Agreement and the Investor's Rights Agreement, convert shares of Series A Preferred Stock in accordance with the terms thereof or receive shares pursuant to stock splits, dividends or any other transactions in which Stockholder receives proportionate shares to other stockholders of the Company or (b) any director's right to receive compensation for serving as a director of the Company), (ii) engage in any "solicitation" of "proxies" (as such terms are used in the proxy rules promulgated under the Exchange Act), or form, join or in any way participate in a "group" (as defined in Regulation 13D under the Exchange Act) with respect to the Capital Stock of the Company, (iii) grant any proxies with respect to any Capital Stock of the Company, other than in connection with a solicitation of proxies by the Board of Directors, (iv) make any stockholder proposals in respect of the Company, including but not limited to proposals (A) to nominate directors to be elected at any annual or special meeting of the stockholders of the Company (other than nominations that Stockholder is entitled to make under the Company's Restated Certificate of Incorporation in its capacity as the holder of Series A Preferred Stock) or (B) to terminate (or redeem any rights granted under) the New Rights Plan, (v) enter into any, negotiations, agreements, arrangements or understandings with any Person with respect to any of the foregoing, or (vi) make any public proposals with respect to any of the foregoing or make any public request to amend or modify any provision of this Agreement.

Section 4.02 SHARE TRANSFERS.

(a) BLOCK TRANSFERS. Stockholder may, subject to the next sentence, transfer, in a transaction or series of related transactions, Shares constituting 15% or more of the voting power of the Capital Stock of the Company to any transferee (including any Affiliates of such transferee) only if such transferee provides to the Company an agreement reasonably acceptable to the Independent Committee pursuant to which such transferee agrees to be bound by all provisions of this Agreement and the Investor's Rights Agreement applicable to Stockholder. Any transfer permitted by this Section 4.02 shall be exempt from the New Rights Plan, provided that any transferee that Beneficially Owns more than five percent of the voting power of the Capital Stock prior to such transfer shall not as a result of such transfer obtain Beneficial Ownership of Capital Stock having a greater percentage of the voting power of the Capital Stock than that Beneficially Owned by Stockholder on the date hereof. Nothing in this Section is

intended to limit (i) Stockholder's ability to transfer Shares in blocks smaller than 15%, (ii) transfers of Shares in connection with transfers by all stockholders of the Company or (iii) transfers of Shares pursuant to the registration rights granted under the Investor's Rights Agreement.

(b) COMPLIANCE. Notwithstanding any other provision of this Agreement, no Transfer of Shares may be made by Stockholder unless such Transfer complies with all applicable laws in addition to all applicable provisions of this Agreement. An opinion of Stockholder's general counsel shall be satisfactory evidence that such Transfer complies with all applicable securities laws in addition to all applicable provisions of this Agreement.

ARTICLE V

STOCKHOLDER CONTROL; MINORITY PROTECTIONS

Section 5.01 RIGHT TO MAKE A TENDER OFFER. Nothing contained in Section 4.01 shall prevent Stockholder from making a public tender offer to acquire Shares such that Stockholder will Beneficially Own a majority of the voting power of the Shares, provided that no such tender offer shall be consummated without the prior approval of the Independent Committee. In the event such approval is granted, the Company shall take all action as is necessary to terminate the New Rights Plan upon the consummation of such transaction. There shall be no "Distribution Date" under the New Rights Plan in connection with the commencement of a tender offer permitted by this Section 5.01.

Section 5.02 STOCKHOLDER CONTROL EVENT. In the event Stockholder at any time Beneficially Owns Shares representing a majority of the voting power of the Capital Stock of the Company (a "STOCKHOLDER CONTROL EVENT"), Stockholder shall be entitled immediately to elect a majority of the members of the Board of Directors and the Company shall take such actions as shall be necessary, including by procuring the resignation of incumbent directors (other than

members of the Independent Committee), to ensure that the persons nominated by Stockholder will be elected to the Board of Directors as promptly as practicable; PROVIDED, that upon the occurrence of a Stockholder Control Event, the minority protection provisions of Sections 5.03, 5.04, 5.05 and 5.06 shall become immediately applicable.

Section 5.03 CONFLICT TRANSACTIONS; ADDITIONAL ACQUISITIONS.

(a) CONFLICTS OF INTEREST. After a Stockholder Control Event, all transactions between Stockholder (or any of its Affiliates other than the Company and its Subsidiaries) and the Company (or any of its Subsidiaries), including sales of assets between the companies outside the ordinary course of business, must be approved in advance by the Independent Committee.

(b) ADDITIONAL ACQUISITIONS. After a Stockholder Control Event, Stockholder shall not, except by means of a tender or exchange offer approved by the Independent Committee, in any manner acquire or agree to acquire, directly or indirectly, Beneficial Ownership of any additional Shares or increase its percentage interest in the Company; PROVIDED, HOWEVER, that the restrictions set forth in this Section 5.03(b) shall not apply to, and Independent Committee

approval shall not be required for (a) ordinary course share repurchase programs approved by the Board of Directors which in any event do not authorize the Company to repurchase in excess of 3% of the voting interests of the Company's outstanding Capital Stock in any year, (b) exercises by Stockholder of its preemptive rights in accordance with the Investor's Rights Agreement, (c) shares distributed pursuant to stock splits, dividends or any other transactions in which Stockholder receives proportionate shares to other stockholders of the Company or (d) a director to receive compensation for serving as a director of the Company.

Section 5.04 RESTRICTIONS ON TRANSFER OF SHARES.

(a) LIMITATION ON TRANSFER. After a Stockholder Control Event, except in accordance with the provisions of this Agreement, Stockholder shall not, directly or indirectly through any of its Subsidiaries, sell, give, assign, pledge, encumber or otherwise dispose of (whether by operation of law, through a transfer of control of any of its Subsidiaries, or otherwise) (each, a "TRANSFER") any Shares. Any attempt to Transfer any Shares in violation of this Section 5.04 shall be null and void.

(b) PERMITTED TRANSFERS. Notwithstanding Section 5.04(a), but subject to Section 4.02(b), nothing in this Agreement shall be deemed to restrict in any manner the following actions by Stockholder or any of its Subsidiaries (each, a "PERMITTED TRANSFER"):

(i) any Transfer of Shares in a public offering designed to result in a wide distribution, which shall include any distribution that, at a minimum, meets the terms of clauses (iii) and (iv) below;

(ii) any Transfer of Shares into the public market in accordance with Rule 144 under the Securities Act;

(iii) any Transfer of Shares to a Person (including a "group" as defined for purposes of Section 13(d) of the Exchange Act) if, after giving effect to such Transfer, such Person (together with its Affiliates) would not Beneficially Own greater than five percent of the voting power of the outstanding Capital Stock of the Company;

(iv) any Transfer of Shares to an institution qualified under Exchange Act Rule 13d-1(b)(1) to report its ownership of the Shares on Schedule 13G if, after giving effect to such Transfer, such institution (together with its Affiliates) would not Beneficially Own greater than ten percent of the voting power of the outstanding Capital Stock of the Company; provided that such institution does not report its ownership of the Shares on Schedule 13D;

(v) any Transfer of Shares in connection with a pro-rata spin-off or other pro rata distribution to the shareholders of Stockholder;

(vi) any Transfer of Shares effected in connection with a transaction involving the Company in which the public shareholders of the Company have the opportunity to participate on a pro rata basis on terms and conditions no less favorable than those accorded to Stockholder (including any private

sale in which the purchaser extends tag-along rights to all of the Company's public shareholders though a tender offer);

(vii) any pledge of Shares made to secure a bona fide loan from a third party financial lender, provided that such lender executes or agrees to be bound by this Agreement prior to realization of such pledge, unless Stockholder could have sold such Shares to such lender pursuant to clauses (iii) or (iv) above; and

(viii) any Transfer of Shares to any Subsidiary of Stockholder (provided that such Transfer shall not relieve Stockholder of its obligations hereunder and that such Subsidiary becomes a party hereto).

Section 5.05 THIRD PARTY OFFERS.

(a) Stockholder shall have no obligation to support any third party proposal to effect a business combination transaction with the Company or to offer a transaction providing value to the Company's public shareholders equivalent to that provided by any third party proposal, except in the following circumstances after a Stockholder Control Event:

(i) If Stockholder proposes to effect a business combination transaction with the Company or to effect a Rule 13e-3 transaction (as defined in Rule 13e-3 under the Exchange Act) involving the Company (whether or not such proposal is in response to a third party offer or proposal), then any such transaction shall be subject to the approval of the Independent Committee. In such event, if a third party (an "INTERLOPER") proposes a bona fide alternative transaction that the Independent Committee determines to be a Superior Proposal to the proposal made by Stockholder, then Stockholder shall have ten Business Days or such longer period as the Independent Committee may determine (the "TOPPING PERIOD") to offer an alternative transaction that is, in the judgment of the Independent Committee (after receipt of advice from a nationally recognized investment banking firm as to the fairness from a financial point of view of the price offered), at least as favorable from a financial point of view to the public shareholders of the Company (a "MATCHING PROPOSAL") as the best proposal theretofore made by the Interloper. If Stockholder does not within the Topping Period make a Matching Proposal, then Stockholder shall be obligated to support (including by voting for or tendering into) such Superior Proposal of the Interloper (or, in the event of any subsequent Superior Proposal from a third party, to support the most favorable transaction that is available to the Company from a financial point of view, in the good faith judgment of the Independent Committee); PROVIDED, HOWEVER, that if the consideration offered in the Interloper's Superior Proposal does not consist entirely of cash, then Stockholder shall not be obligated to support the proposed transaction with the Interloper, and may vote its Shares against such proposal (and will also have no obligation to make a Matching Proposal), if the Special Committee does not reconfirm, within five Business Days

prior to the shareholder vote in respect of the proposed transaction with the Interloper if there is one (or, if not, within five days prior to the initial scheduled closing of a tender or exchange offer) (based on market conditions prevailing at that time, including the prices of the Acceptable Securities and any securities included in the best offer made by Stockholder during the Topping Period), that the proposed transaction with the Interloper continues to meet the standards required for a Superior Proposal in comparison to the best offer made by Stockholder during the Topping Period; PROVIDED, FURTHER, HOWEVER, that in the event Stockholder does withdraw its support for the proposed transaction with the Interloper in accordance with this provision, Stockholder may not propose a business combination or Share acquisition transaction to the Company for a period of six months (unless permitted to do so by the Independent Committee). Any agreement with Stockholder or with an Interloper providing for a transaction of the type described in this Section 5.05(a)(i) shall include a "fiduciary out" provision allowing the Company to comply with this Section 5.05(a)(i).

(ii) If Stockholder agrees to a merger, tender or exchange offer

or other business combination transaction with any party directly involving the Company, or agrees to sell any of its Shares to one or more parties other than the Company in a transaction to which Section 5.04(b)(vi) applies (in either such case, such other parties are referred to as the "INITIAL BUYER") and a third party Interloper proposes an alternative transaction that the Independent Committee determines to be a Superior Proposal to the transaction with the Initial Buyer, then the Company shall agree to such Superior Proposal, and Stockholder shall not use its voting power to block such Superior Proposal, but shall support (including by voting for or tendering into) such Superior Proposal (or, in the event of any subsequent Superior Proposal from a third party, to support the most favorable transaction that is available to the Company from a financial point of view, in the good faith judgment of the Independent Committee). Any agreement with an Initial Buyer providing for a transaction of the type described in this Section 5.05(a)(ii) shall include a "fiduciary out" provision allowing the Company to comply with this Section 5.05(a)(ii).

(b) "SUPERIOR PROPOSAL" means a proposal (i) that is reasonably capable of being consummated, (ii) in which all the consideration offered consists entirely of any combination of at least fifty percent (50%) cash and the remainder in Acceptable Securities and (iii) that the Independent Committee considers, after receiving advice from a nationally recognized investment banking firm, to be more favorable from a financial point of view to the shareholders of the Company who will be selling shares in such transaction than the alternative against which it is being compared; PROVIDED, that for purposes of its advice to the Independent Committee such investment bank shall have been instructed to view any securities to be received by Stockholder in the transaction on a fully distributed basis (that is, assuming that the prices to be received by Stockholder shall be measured by the value that Stockholder would receive in connection with Stockholder selling all of its securities as part of such distribution).

(c) "ACCEPTABLE SECURITIES" means securities of a class that is already listed and traded on a stock exchange or quoted and traded on NASDAQ and that will be fully registered and capable of public distribution immediately upon receipt by Stockholder.

Section 5.06 RECONSTITUTION OF BOARD OF DIRECTORS. After a Stockholder Control Event and the Stockholder's assumption of control over the Board of Directors, the Board of Directors will be reconstituted to include not less than a majority of directors Independent of Stockholder upon the earliest to occur of (i) Stockholder ceasing to own Shares having a majority of the voting power of the Company, if Stockholder shall have disposed of Beneficial Ownership of securities of the Company since the Stockholder Control Event reflecting a 5% or greater voting interest in the Company or (ii) Stockholder ceasing to own Shares representing a 30% or greater voting interest in the Company. In any such event, Stockholder will cooperate with the Company to cause the Board of Directors to be so reconstituted promptly, including by procuring the resignations of directors nominated to the Board of Directors by Stockholder.

ARTICLE VI

OTHER AGREEMENTS

Section 6.01 INVESTOR'S RIGHTS AGREEMENT AMENDMENTS. On the date hereof, Stockholder and the Company are executing and delivering to each other the Investor's Rights Agreement.

Section 6.02 REPURCHASE PROGRAM. Promptly after the date hereof, the Company shall reinstate its $75 million open market stock repurchase program (under which $15 million of Common Shares has previously been purchased) and use reasonable commercial efforts to repurchase Shares in accordance with such program from time to time; PROVIDED, HOWEVER, that the Company shall not be obligated to make any stock repurchases if the Independent Committee determines that doing so would jeopardize the financial integrity of the Company. In the event that the full buyback authority under this repurchase program is not utilized within the initial anticipated one-year period, the program shall be extended for appropriate periods until the program is completed (subject to all applicable laws).

Section 6.03 SHAREHOLDER RIGHTS PLAN. As promptly as practicable after the date hereof, the Company shall amend and restate its existing Stockholders Rights Plan to, or terminate such plan and adopt a new shareholder rights plan in, a customary form as agreed by Wachtell, Lipton, Rosen & Katz and Milbank, Tweed, Hadley & McCloy LLP, which form shall have a "triggering threshold" applicable to Stockholder equal to the current Beneficial Ownership level of Stockholder, a "triggering threshold" for all other shareholders of 15% of the

voting power of the Capital Stock of the Company and otherwise be consistent with the rights and obligations of the parties under this Agreement (the "NEW RIGHTS PLAN").

Section 6.04 SECT. The Company is contemporaneously herewith terminating the Company's Stock Employee Compensation Trust ("SECT") in accordance with its terms at no cost to the Company other than the cancellation of the note previously issued by the SECT to the Company to pay for the Shares issued to it by the Company, and without any further obligations of the Company thereunder.

Section 6.05 MANAGEMENT COOPERATION. The Company shall use commercially reasonable efforts to cause its senior management to assist Stockholder in the event that Stockholder requests assistance with the sale or the marketing for sale of all or a substantial portion of its Shares, including by way of participating in "road shows" and similar presentations. Nothing contained in this Section 6.05 is intended to, or shall, limit Stockholder's rights under Section 6.09 of the Securities Purchase Agreement.

Section 6.06 SENIOR MANAGEMENT STOCK OWNERSHIP POLICY. The Board of Directors shall promptly adopt guidelines to encourage stock ownership by senior executives of the Company at the following levels: (i) in the case of the chief executive officer, four times the employee's annual salary; (ii) in the case of certain other senior executive officers, three times the employee's annual salary; and (iii) in the case of the executive chairman of the Board of Directors, 300,000 Shares. These guidelines shall be administered by the Compensation Committee of the Board of Directors which shall develop policies and procedures with respect thereto and shall be authorized to grant exemptions where, in the Compensation Committee's judgment, it is appropriate to do so.

Section 6.07 BOARD COMPENSATION. The Company agrees that the compensation paid to each member of the Board of Directors for his or her service as a director shall henceforth include a Common Stock component the value of which shall be not less than 60% of the total value of such compensation. Members of management of the Company shall not be compensated for service as directors of the Company.

Section 6.08 CREDIT FACILITIES. The Company shall use commercially reasonable efforts as promptly as reasonably practicable to reach agreements with its creditors to amend the Company's debt instruments to provide that no event of default will be caused (a) in the event of a change of control of the Company and (b) as a result of any charge that the Company may take under FAS 142. The Company shall use reasonable commercial efforts to provide notice to and consult with Stockholder regarding all proposals that are made to and by the Company's creditors in this connection and the status of the negotiations.

Section 6.09 AFTER-ACQUIRED SECURITIES. All of the provisions of this Agreement shall apply to all Shares now owned or which may be issued or transferred hereafter to Stockholder or any of its Subsidiaries in consequence of any additional issuance, purchase, exchange or reclassification of any of such Shares, corporate reorganization, or any other form of recapitalization, consolidation, merger, share split or share dividend, or which are acquired by Stockholder or any of its Subsidiaries in any other manner.

Section 6.10 STOCK CERTIFICATE LEGEND. A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing Shares now held or hereafter acquired by Stockholder or any of its Subsidiaries shall bear an legend reflecting that the Shares represented by such certificate is subject to certain restrictions provided for in this Agreement. The Company will cooperate in providing Stockholder certificates without legends in order to facilitate permitted Transfers pursuant to this Agreement.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Stockholder as follows:

Section 7.01 CORPORATE EXISTENCE. The Company is a corporation duly organized, legally existing and in good standing under the laws of the State of Delaware. The Company is not in default in the performance, observance or fulfillment of any provision of any of the Governing Instruments.

Section 7.02 NO BREACH. Neither the execution, delivery or performance of this Agreement by the Company, nor the consummation by it of the transactions contemplated hereby, shall constitute a violation of or permit the termination of, or create, or cause the acceleration of the maturity of any debt, obligation or liability of the Company under: (i) any term or provision of the Governing Instruments of the Company; (ii) except as set forth on Schedule 7.02, any loan, note or other agreements of the Company with third parties; (iii) to the best of

the Company's knowledge, any statute or law applicable to the Company; except, in the case of (ii) and (iii) above, where such violation, termination, acceleration, obligation or liability would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Company to consummate the transactions under this Agreement and to perform its obligations hereunder and thereunder.

Section 7.03 AUTHORITY. The Company has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the Board of Directors has approved the execution, delivery and performance by the Company of this Agreement; and this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer and similar laws affecting creditors' rights generally or by general principles of equity.

Section 7.04 APPROVALS. Other than as provided elsewhere in this Agreement or on Schedule 7.04, no approvals or consents of, or applications or notices to, third persons or entities are necessary for the lawful consummation by the Company of the transactions contemplated by this Agreement, except where the failure to receive such approvals or consents, or to make such application or notice, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Company to consummate the transactions under this Agreement and to perform its obligations hereunder.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF STOCKHOLDER

Stockholder represents and warrants to the Company as follows:

Section 8.01 CORPORATE EXISTENCE. Stockholder is a corporation duly organized, legally existing and in good standing under the laws of the State of Delaware. Stockholder is not in default in the performance, observance or fulfillment of any provision of its certificate of incorporation or bylaws, as each shall have been amended and/or restated from time to time.

Section 8.02 NO BREACH. Neither the execution, delivery or performance of this Agreement by Stockholder, nor the consummation by it of the transactions contemplated hereby, shall constitute a violation of or permit the termination of, or create, or cause the acceleration of the maturity of any debt, obligation or liability of Stockholder under: (i) any term or provision of the certificate of incorporation, as amended and restated, or the bylaws of Stockholder; (ii) except as set forth on Schedule 8.02, any loan, note or other agreements of Stockholder with third parties; (iii) to the best of Stockholder's knowledge, any statute or law applicable to Stockholder; except, in the case of (ii) and (iii) above, where such violation, termination, acceleration, obligation or liability would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of Stockholder to consummate the transactions under this Agreement and to perform its obligations hereunder and thereunder.

Section 8.03 AUTHORITY. Stockholder has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by Stockholder of this Agreement have been duly authorized by all necessary action on its part; and this Agreement constitutes the legal, valid and binding obligations of Stockholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer and similar laws affecting creditors' rights generally or by general principles of equity.

Section 8.04 APPROVALS. Other than as provided elsewhere in this Agreement or on Schedule 8.04, no approvals or consents of, or applications or notices to, any governmental authority are necessary for the lawful consummation by Stockholder of the transactions contemplated by this Agreement, except where the failure to receive such approvals or consents, or to make such application or notice, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of Stockholder to consummate the transactions under this Agreement and to perform its obligations hereunder.

ARTICLE IX

MISCELLANEOUS

Section 9.01 INTERPRETATION. Article, Section, Schedule, and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified. The word "INCLUDING" shall mean "INCLUDING BUT NOT LIMITED TO."

Section 9.02 COSTS AND EXPENSES. All costs and expenses incurred in connection with the transactions contemplated hereby, and all costs and expenses

in connection with the proxy contest being terminated pursuant to Section 2.01 hereof, shall be paid by the party incurring such cost or expense.

Section 9.03 NO WAIVER; MODIFICATIONS IN WRITING.

(a) DELAY. No failure or delay on the part of either party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial

exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to a party at law or in equity or otherwise.

(b) SPECIFIC WAIVER. Except as otherwise provided herein, no amendment, waiver,consent, modification, or termination of any provision of this Agreement shall be effective unless approved by the Independent Committee and signed by a representative of the Independent Committee or the Company and Stockholder. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by the Company or Stockholder from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which made or given.

Section 9.04 ASSIGNMENT; BINDING EFFECT. Neither this Agreement nor any of the rights or obligations of any party hereunder shall be assignable without the prior written consent of the other party hereto, other than as expressly provided herein and assignments by operation of law. This Agreement shall be binding upon the Company, Stockholder, and their respective successors and permitted assigns. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement, and their respective successors and permitted assigns.

Section 9.05 COMMUNICATIONS. All notices and demands provided for hereunder shall be in writing and shall be given by registered or certified mail, return receipt requested, telecopy, air courier guaranteeing overnight delivery or personal delivery to the following addresses:

IF TO STOCKHOLDER:

Aquila, Inc.
20 West Ninth Street
Kansas City, Missouri 64105
Attention: Keith Stamm
Telecopier: (816) 467-3595
Email: kstamm@aquila.com

IF TO THE COMPANY:

Quanta Services, Inc.
1360 Post Oak Boulevard, Suite 2100
Houston, Texas 77056
Attention: Vice President and General Counsel
Telecopier: (713) 629-7676
Email: dgordon@quantaservices.com

or to such other address as the Company or Stockholder may designate in writing. All other communications may be by regular mail or Internet electronic mail. All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; upon actual receipt if sent by certified mail, return receipt requested, or

regular mail, if mailed; when receipt acknowledged, if telecopied or sent via Internet electronic mail; and upon actual receipt when delivered to an air courier guaranteeing overnight delivery.

Section 9.06 GOVERNING LAW; CONSENT TO JURISDICTION; SPECIFIC PERFORMANCE. This Agreement will be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of laws. Any judicial proceedings with respect to this Agreement shall be brought in a federal or state court located in the State of Delaware, and by execution and delivery of this Agreement, each party accepts, generally and unconditionally, the exclusive jurisdiction of such court and any related appellate court, irrevocably agrees to be bound by any judgment rendered thereby, and waives any objection to the laying of venue in any such proceedings in such courts. The parties hereto agree that irreparable damage would occur in the event that any

of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions, including preliminary relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity. If any party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

Section 9.07 ENTIRE AGREEMENT. This Agreement supersedes all prior discussions and agreements among the parties hereto with respect to the subject matter hereof and thereof, and contain the sole and entire agreement among the parties hereto with respect to the subject matter hereof and thereof. Without limiting the foregoing, to the extent that any provision therein is inconsistent with, or deals with the same subject matter as, any provision of this Agreement, the Securities Purchase Agreement is hereby superseded. For the avoidance of doubt, Sections 6.10, 6.11, and 6.12 of the Securities Purchase Agreement are hereby deleted, and Sections 7.07 and 7.08 of the Securities Purchase Agreement are superseded by Section 9.06 hereof. Notwithstanding the foregoing, nothing in this Agreement shall limit or detract from Stockholder's rights as the holder of the Series A Preferred Stock.

Section 9.08 PUBLIC ANNOUNCEMENTS. The Company and the Stockholder shall issue a mutually acceptable joint press release announcing this Agreement.

Section 9.09 SUCCESSORS AND ASSIGNS; THIRD PARTY BENEFICIARY. This Agreement shall inure to the benefit of and be binding upon successors and permitted assigns of the parties hereto. No person other than the parties hereto, their successors and permitted assigns, and the public shareholders of the Company is intended to be a beneficiary of this Agreement. The rights of the Company under this Agreement may be asserted on behalf of the Company by the Independent Committee.

Section 9.10 EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

QUANTA SERVICES, INC.,
a Delaware corporation

By: /s/ John R. Colson

Name: John R. Colson
Title: Chief Executive Officer

AQUILA, INC.,
a Delaware corporation

By: /s/ Keith G. Stamm

Name: Keith G. Stamm
Title: President and COO
Global Networks Group

ANNEX I

DIRECTORS OF THE COMPANY

ELECTED BY THE SERIES A PREFERRED STOCK

Robert K. Green

Keith G. Stamm

Edward K. Mills

ELECTED BY THE LIMITED VOTING STOCK

Vincent D. Foster

ELECTED BY THE COMMON STOCK

James R. Ball

John R. Colson

Terrence P. Dunn

Gary A. Tucci

John R. Wilson

[Company Independent To Be Determined][To be determined by Messrs. Dunn and Ball]

ANNEX II

AQUILA, INC. RELEASE

Aquila, Inc., on behalf of itself, and each of its predecessors, successors, parents, subsidiaries, affiliates, divisions, general and limited partners, assignees and nominees, and all present and former employees, directors, officers, agents, attorneys, representatives and shareholders of each of them (the "Aquila Releasors"), do hereby release and forever discharge each of James R. Ball, John R. Colson, Vincent D. Foster, Louis C. Golm, Jerry J. Langdon, Gary A. Tucci, John R. Wilson, Quanta Services, Inc. (and each of its parents, subsidiaries, divisions and affiliates), the Quanta Services, Inc. Stock Employee Compensation Trust, and Wachovia Bank, N.A. (and each of its parents, subsidiaries, divisions and affiliates), and the predecessors, successors and assignees of each of them, and each of their present and former employees, directors, officers, shareholders, agents, attorneys (including Wachtell, Lipton, Rosen & Katz, Winston & Strawn, and Richards, Layton & Finger), investment bankers (including Goldman, Sachs & Co. and Morgan Stanley, Inc.), representatives, heirs, devisees and legatees (collectively the "Releasees") of and from, and covenant not to sue each of the Releasees with respect to, any and all manner of claims, rights, actions, causes of action, suits, liens, obligations, accounts, debts, demands, agreements, promises, liabilities, controversies, costs, expenses and attorneys' or paralegals' or other fees whatsoever, whether arising in law or equity, whether based on any federal, state or foreign law or right of action, mature or unmatured, contingent or fixed, liquidated or unliquidated, known or unknown, accrued or unaccrued which, against the Releasees or any of them, the Aquila Releasors, or any of them, ever had or now have in connection with, arising out of or which are in any way related to:

(1) any of the claims for relief asserted in the litigation captioned AQUILA, INC. V. QUANTA SERVICES, INC., ET AL., C.A. No. 19287, commenced in the Court of Chancery of the State of Delaware on or about November 28, 2001, including, but not limited to, claims pertaining to (a) the adoption of the Quanta Services, Inc. Rights Plan and any amendments made thereto; and (b) the formation and operation of the Special Committee of the Quanta Services, Inc. Board of Directors.

(2) any of the claims for relief asserted in the arbitration captioned AQUILA, INC. V. QUANTA SERVICES, INC., A.A.A. No. 57-198-00150-01, including, but not limited to, claims pertaining to the adoption of the Quanta Services, Inc. Rights Plan and any amendments thereto; and

(3) any of the claims for relief asserted in the litigation captioned AQUILA, INC. V. QUANTA SERVICES, INC., ET AL., C.A. No. 19497, in the Court of Chancery of the State of Delaware, including, but not limited to, claims pertaining to: (a) the adoption of the Quanta Services, Inc. Stock Employee Compensation Trust by the Special Committee of the Quanta Services, Inc. Board of Directors on or about March 13, 2002; (b) the approval by the Special Committee of the Quanta Services, Inc. Board of Directors of

employment agreements with certain Quanta employees on or about March 13, 2002; and (c) any other actions taken by the Special Committee at its March 13, 2002 meeting.

AQUILA, INC.
By:_____
Title:_____
Date:_____

QUANTA SERVICES, INC. RELEASE

Quanta Services, Inc., on behalf of itself, and each of its predecessors, successors, parents, subsidiaries, affiliates, divisions, general and limited partners, assignees and nominees, and all present and former employees, directors, officers, agents, attorneys, representatives and shareholders of each of them (the "Quanta Releasors"), do hereby release and forever discharge Aquila, Inc. and each of its parents, subsidiaries, divisions and affiliates, and the predecessors, successors and assignees of each of them, and each of their present and former employees, directors, officers, shareholders, agents, attorneys (including Milbank, Tweed, Hadley & McCloy LLP, Morris, Nichols, Arsht & Tunnell, and Blackwell Sanders Peper Martin LLP), investment bankers (including Salomon Smith Barney Inc.), representatives, heirs, devisees and legatees (collectively the "Releasees") of and from, and covenant not to sue the Releasees with respect to, any and all manner of claims, rights, actions, causes of action, suits, liens, obligations, accounts, debts, demands, agreements, promises, liabilities, controversies, costs, expenses and attorneys' or paralegals' or other fees whatsoever, whether arising in law or equity, whether based on any federal, state or foreign law or right of action, mature or unmatured, contingent or fixed, liquidated or unliquidated, known or unknown, accrued or unaccrued which, against the Releasees or any of them, the Quanta Releasors, or any of them, ever had, now have or can have or shall or may hereafter have, in connection with, arising out of or which are in any way related to:

(1) any claim that would have been a compulsory counterclaim in the litigation captioned AQUILA, INC. V. QUANTA SERVICES, INC., ET AL., C.A. NO. 19287, filed in the Court of Chancery of the State of Delaware on or about November 28, 2001;
(2) any claim that would have been a compulsory counterclaim in the arbitration captioned AQUILA, INC. V. QUANTA SERVICES, INC., A.A.A. NO. 57-198-00150-01; and
(3) any claim that would have been a compulsory counterclaim in the litigation captioned AQUILA, INC. V. QUANTA SERVICES, INC., ET AL., C.A. NO. 19497, in the Court of Chancery of the State of Delaware.

QUANTA SERVICES, INC.

By:

Title:

Date:

EXHIBIT 10.2

EXECUTION COPY

AMENDED AND RESTATED INVESTOR'S RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTOR'S RIGHTS AGREEMENT (this "Agreement") is made and entered into as of May 20, 2002, by and between Quanta Services, Inc., a Delaware corporation (the "Company"), and Aquila, Inc. (f/k/a UtiliCorp United Inc.), a Delaware corporation ("Investor").

RECITAL

WHEREAS, the Company and Investor are party to an Investor's Rights Agreement made and entered into as of September 21, 1999 (the "Original Agreement"); and

WHEREAS, the Company and Investor have entered into a Settlement and Governance Agreement dated as of May 20, 2002 (the "Settlement and Governance Agreement"), which provides, among other things, that the Company and Investor will amend and restate the Original Agreement by entering into this Agreement contemporaneously with the execution and delivery of the Settlement and Governance Agreement.

AGREEMENT

The parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Settlement and Governance Agreement and the Securities Purchase Agreement. The terms set forth below are used herein as so defined:

"Affiliate" of any Person shall mean:

(a) For purposes of Article II, (i) any Person directly or indirectly controlled by, controlling or under common control with such first Person, (ii) any director or officer of such first Person or of any Person referred to in clause (i) above and (iii) if any Person in clause (i) above is an individual, any member of the immediate family (including parents, spouse and children) of such individual and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust. For purposes of this definition, any Person which owns directly or indirectly 20% or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or 20% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to "control" (including, with its correlative meanings, "controlled by" and "under common control with") such corporation or other Person; and

(b) For purposes of Article III, (i) any Subsidiary of such Person or (ii) a Parent of such Person.

"Beneficial Ownership," "Beneficial Owner," and "Beneficially Own" have the meanings ascribed to such terms in Rule 13d-3 under the Exchange Act.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock, par value $0.00001 per share, of the Company.

"Company" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Competitor" means (a) a provider for third parties of specialized contracting and maintenance services, primarily for electric, telecommunications, cable television, natural gas, and transportation infrastructure (and with respect to natural gas and transportation infrastructure, only if and when such business lines are a significant part of the Company's overall business) and (b) in the United States and in other countries, but only in any of such other countries if and when the Company develops a substantial market for its services in such country.

"Conversion Shares" means the shares of Common Stock issuable on conversion of the Preferred Stock.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Fully Diluted Ownership Ratio" means the ratio that the total number of shares of Common Stock owned by a Pre-Emptive Purchaser bears to the total number of shares of Common Stock outstanding, in each case assuming full conversion of all outstanding securities convertible into Common Stock and full exercise of all outstanding options, rights and warrants to acquire Common Stock.

"Holder" means the record holder of any Registrable Securities.

"Inspectors" has the meaning specified therefor in Section 2.3(g) of this Agreement.

"Investor" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Losses" has the meaning specified therefor in Section 2.8 of this Agreement.

"New Securities" has the meaning specified therefor in Section 3.2(b) of this Agreement.

"Other Holders" has the meaning specified therefor in Section 2.1(d) of this Agreement.

"Parent" means any corporation or other legal entity which at the time directly or indirectly controls at least a majority of the equity of such entity having by the terms thereof ordinary voting power to elect a majority of the board of directors, managers, general partner(s), or other equivalent governing body of such entity (irrespective of whether or not at the time equity of any other class or classes of such entity shall have or might have voting power by reason of the happening of any contingency).

"Person" means any individual, corporation, company, voluntary association, partnership, joint venture, trust, limited liability company, unincorporated organization, government or any agency, instrumentality or political subdivision thereof, or any other form of entity.

"Pre-Emptive Purchasers" has the meaning specified therefor in Section 3.1 of this Agreement.

"Pre-Emptive Right" has the meaning specified therefor in Section 3.1 of this Agreement.

"Preferred Stock" means the Company's Series A Convertible Preferred Stock, par value $0.00001 per share.

"Proportionate Number" has the meaning specified therefor in Section 3.2(a) of this Agreement.

"Records" has the meaning specified therefor in Section 2.3(g) of this Agreement.

"Registrable Securities" means the Conversion Shares, the shares of Common Stock owned by the Investor on the date of this Agreement and any other shares of Common Stock acquired by the Investor (or any Person or Persons to which all or a portion of Investor's rights under this Agreement are assigned in accordance with the terms of this Agreement) after the date of this Agreement, whether in privately-negotiated or open market transactions, pursuant to the exercise of rights to purchase shares granted pursuant to this Agreement or pursuant to stock dividends, stock splits or other distributions in respect of the Common Stock, until such time as any such securities cease to be Registrable Securities pursuant to Section 1.2 hereof.

"Registration Expenses" has the meaning specified therefor in Section 2.7(a) of this Agreement.

"Registration Statement" has the meaning specified therefor in Section 2.1(b) of this Agreement.

"Requesting Holder(s)" has the meaning specified therefor in Section 2.1(a) and (b), as applicable, of this Agreement.

"Request Notice" has the meaning specified therefor in Section 2.1(a) this Agreement.

"Selling Expenses" has the meaning specified therefor in Section 2.7(a) of this Agreement.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a Registration Statement.

"Settlement and Governance Agreement" has the meaning specified in the Recital of this Agreement.

"Subsidiary" means any corporation or other legal entity of which the Company is the Parent.

"Transfer" has the meaning specified therefor in Section 4.1 of this Agreement.

"Voting Securities" has the meaning specified therefor in Section 2.1(d) of this Agreement.

Section 1.2 Registrable Securities. Any Registrable Security will cease to be a Registrable Security when (a) a Registration Statement covering such Registrable Security has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective Registration Statement; (b) such Registrable Security is disposed of pursuant to Rule 144 (or any similar provision then in force) under the Securities Act; (c) such Registrable Security is eligible to be, and at the time of determination can be, disposed of pursuant to paragraph (k) of Rule 144 (or any similar provision then in force) under the Securities Act; or (d) such Registrable Security is held by the Company or one of its Subsidiaries.

ARTICLE II
REGISTRATION RIGHTS

Section 2.1 Demand Registration.

(a) Request for Registration. At any time after the date hereof, any Holder or Holders who collectively Beneficially Own at least 50% of the Registrable Securities may request (a "Request Notice") the Company to register under the Securities Act all or any portion of the Registrable Securities that are held by such Holder or Holders (collectively, the "Requesting Holder") for sale in the manner specified in the Request Notice.

(b) Company's Obligations. Promptly following receipt of a Request Notice, the Company shall (i) notify each Holder (except the Requesting Holder) of the receipt of a Request Notice and (ii) shall use its commercially reasonable efforts to effect such registration (including, without limitation, preparing and filing a registration statement under the Securities Act (each such registration statement, a "Registration Statement") effecting the registration under the Securities Act, for public sale in accordance with the method of disposition specified in such Request Notice) of the Registrable Securities specified in the Request Notice (and in any notices that the Company receives from other Holders no later than the 15th calendar day after receipt of the notice sent by the Company) (such other Holders and the Requesting Holders, the "Requesting Holders"). If such method of disposition shall be an underwritten public offering, the Company may designate the managing underwriter of such offering, subject to the approval of the Requesting Holders holding a majority of the Registrable Securities to be registered, which approval shall not be withheld unreasonably. The Company shall be obligated to register Registrable Securities pursuant to this Section 2.1 on not more than three (3) occasions in the

aggregate on behalf of all Holders (including any transferees or assignees of Investor pursuant to Section 2.10); provided, however, that the Company shall not be required to file a Registration Statement pursuant to a Request Notice less than six (6) months following the later of the effective date of the most recent Registration Statement filed pursuant to a Request Notice or the last sale of securities pursuant to any such Registration Statement.

(c) Deferral by Company. If the Company has received a Request Notice, whether or not a Registration Statement with respect thereto has been filed or has become effective, or an event referred to in Section 2.3(e) has occurred, and the Company furnishes to the Requesting Holders a copy of a resolution of the Board of Directors of the Company certified by the Secretary of the Company stating that in the good faith judgment of the Board of Directors it would not be in the best interest of the Company's stockholders for such Registration Statement (i) to be filed on or before the date such filing would otherwise be required hereunder, (ii) to become effective or (iii) to be updated by post-effective amendment or prospectus supplement because (A) such action would materially interfere with a significant acquisition, corporate reorganization or

other similar transaction involving the Company, (B) such action would require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential, or (C) the Company is unable to comply with requirements of the Commission, the Company shall have the right, but not more than once in any 365-day period with respect to any Request Notice, to defer such filing or effectiveness for such period as may be reasonably necessary (which period shall not, in any event, exceed 90 calendar days from the date the response period for Holders pursuant to Section 2.1(b) expires).

(d) Participation Rights of Company and Others. The Company shall be entitled to include in any Registration Statement filed pursuant to this Section 2.1, for sale in accordance with the method of disposition specified by the Requesting Holder, securities of the Company entitled to vote generally in the election of directors (or any securities convertible into or exchangeable for or exercisable for the purchase of securities so entitled generally to vote in the election of directors) (collectively, "Voting Securities") to be sold by the Company for its own account, except as and to the extent that, in the opinion of the managing underwriter (if such method of disposition shall be an underwritten public offering), such inclusion would materially jeopardize the successful marketing of the Registrable Securities to be sold. Any Person other than a Holder (the "Other Holders") entitled to piggy-back registration rights with respect to a Registration Statement filed pursuant to this Section 2.1 may include Voting Securities of the Company with respect to which such rights apply in such Registration Statement for sale in accordance with the method of disposition specified by the Requesting Holder, except and to the extent that, in the opinion of the managing underwriter (if such method of disposition shall be an underwritten public offering), such inclusion would materially jeopardize the successful marketing of the Registrable Securities to be sold. Except as provided in this subsection (d) and in Section 2.6 of this Agreement, the Company will not effect any other registration of its Voting Securities (except with respect to Registration Statements (i) on Form S-4 or S-8 or any forms succeeding thereto for purposes permissible under such forms as of the date hereof or (ii) filed in connection with an exchange offer or an offering of securities solely to the Company's existing stockholders or such other Registration Statements (A) for the resale of shares issued pursuant to an employee stock ownership trust or other benefit plan of a business acquired in an acquisition by the Company or (B) in connection with non-underwritten resales of securities issued to owners of a business acquired in an acquisition by the Company), whether for its own account or that of any Other Holder, from the date of receipt of a Request Notice requesting the registration of an underwritten public offering until the completion or abandonment of the distribution by the underwriters of all securities thereunder; provided, however, such restricted period shall not

extend beyond the date 90 calendar days subsequent to the effective date of such Registration Statement.

(e) Prohibition on Future Grants. From and after the date of this Agreement and until no Registrable Securities remain outstanding, the Company shall not grant any demand registration rights to any Person unless such rights are expressly made subject to the right of the Holders to include an equal number of shares of the Registrable Securities along with the other Person's shares in any registration relating to an underwritten public offering, except and to the extent that, in the opinion of the managing underwriter, the inclusion of all shares requested to be registered by all Persons holding registration rights, would materially jeopardize the successful marketing of the securities (including the Registrable Securities) to be sold.

Section 2.2 Piggy-Back Registration.

(a) Company Notice. If the Company proposes to register any Voting Securities under the Securities Act for sale to the public for cash, whether for its own account or for the account of Other Holders or both (except with respect to Registration Statements on Forms S-4 or S-8 or any forms succeeding thereto for purposes permissible under such forms as of the date hereof or filed in connection with an exchange offer or an offering of securities solely to the Company's existing stockholders), each such time it will give written notice to all Holders of its intention to do so no less than 20 calendar days prior to the anticipated filing date.

(b) Request. Upon the written request of any Holder received by the Company no later than the 15th calendar day after receipt by such Holder of the notice sent by the Company, to register, on the same terms and conditions as the securities otherwise being sold pursuant to such registration, any of its Registrable Securities (which request shall state the intended method of disposition thereof), the Company will use its commercially reasonable efforts to cause the Registrable Securities as to which registration shall have been so requested to be included in the securities to be covered by the Registration Statement proposed to be filed by the Company, on the same terms and conditions as any similar securities included therein, all to the extent requisite to permit the sale or other disposition by each Holder (in accordance with its

written request) of such Registrable Securities so registered; provided, however, that the Company may at any time, in its sole discretion and without the consent of any Holder, abandon the proposed offering in which any Holder had requested to participate.

(c) Underwriter's Cut-Back. The number of Registrable Securities to be included in such a registration may be reduced or eliminated if and to the extent, in the case of an underwritten offering, the managing underwriter shall render to the Company its opinion that such inclusion would materially jeopardize the successful marketing of the securities (including the Registrable Securities) proposed to be sold therein; provided, however, that (a) in the case of a Registration Statement filed pursuant to the exercise of demand registration rights of any Other Holders, priority shall be given in the following manner of allocation: (i) first, to the Other Holders demanding such registration; (ii) then to the Holders; (iii) then to the Company; and (iv) then to Other Holders or other stockholders of the Company desiring to participate with the Company's consent (other than the Other Holders entitled to participate under clause (i) or (ii)), and (b) in the case of a Registration Statement the filing of which is initiated by the Company, priority shall be given in the following order of allocation: (i) first to the Company and (ii) then equally (on a share-for-share basis) to the Holders and Other Holders. In the event that the number of Registrable Securities to be included in a registration is to be reduced as provided above, within 10 business days after receipt by each Holder proposing to sell Registrable

Securities pursuant to the registered offering of the opinion of such managing underwriter, all such Selling Holders may allocate among themselves the number of shares of such Registrable Securities which such opinion states may be distributed without adversely affecting the distribution of the securities covered by the Registration Statement or, if less, the number of such shares allocable to Holders of Registrable Securities after reduction for any allocations to the Company or Other Holders in accordance with the priority provisions set forth in the preceding sentence, and if such Holders are unable to agree among themselves with respect to such allocation, such allocation shall be made in proportion to the respective numbers of shares specified in their respective written requests.

(d) Prohibition on Future Grants. From and after the date of this Agreement and until no Registrable Securities remain outstanding, the Company shall not grant any piggy-back registration rights to any Person unless such rights are expressly made subject to the prior right of Holders to include their Registrable Securities on a pro-rata basis in any registration relating to an underwritten public offering, except and to the extent that, in the opinion of the managing underwriter, the inclusion in the offering of all shares requested to be registered by all Persons holding registration rights would materially jeopardize the successful marketing of the securities (including the Registrable Securities) to be sold.

Section 2.3 Registration Procedures. If and whenever the Company is required pursuant to this Agreement to effect the registration of any of the Registrable Securities under the Securities Act, the Company will, as expeditiously as possible:

(a) prepare and file as promptly as reasonably possible with the Commission a Registration Statement, on a form available to the Company, with respect to such securities (which filing shall be made within 30 calendar days after the receipt by the Company of a Request Notice) and use its commercially reasonable efforts to cause such Registration Statement to become and remain effective for the period of the distribution contemplated thereby (determined pursuant to subsection (g) below);

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the distribution period (determined pursuant to subsection (g) below) and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement;

(c) furnish to each Selling Holder and to each underwriter such number of copies of the Registration Statement and the prospectus included therein (including each preliminary prospectus and each document incorporated by reference therein to the extent then required by the rules and regulations of the Commission) as such Persons may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by such Registration Statement;

(d) if applicable, use its commercially reasonable efforts to register or qualify the Registrable Securities covered by such Registration Statement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an underwritten public offering, the managing underwriter, shall reasonably request, provided that the Company will not be required to qualify generally to transact business in any jurisdiction where it is not then

required to so qualify or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(e) immediately notify each Selling Holder and each underwriter, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus contained in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and as promptly as practicable amend or supplement the prospectus or take other appropriate action so that the prospectus does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(f) in the case of an underwritten public offering, furnish upon request, (i) on the date that Registrable Securities are delivered to the underwriters for sale pursuant to such Registration Statement, an opinion of counsel for the Company dated as of such date and addressed to the underwriters and to the Selling Holders, stating that such Registration Statement has become effective under the Securities Act and that (A) to the best knowledge of such counsel, no stop order suspending the effectiveness thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Securities Act, (B) the Registration Statement, the related prospectus, and each amendment or supplement thereof comply as to form in all material respects with the requirements of the Securities Act and the applicable rules and regulations thereunder of the Commission (except that such counsel need express no opinion as to the financial statements, or any expertized schedule, report or information contained or incorporated therein) and (C) to such other effects as may reasonably be requested by counsel for the underwriters, and (ii) on the effective date of the Registration Statement and on the date that Registrable Securities are delivered to the underwriters for sale pursuant to such Registration Statement, a letter dated such dates from the independent accountants retained by the Company, addressed to the underwriters and, if available, to the Selling Holders, stating that they are independent public accountants within the meaning of the Securities Act and that, in the opinion of such accountants, the financial statements of the Company and the schedules thereto that are included or incorporated by reference in the Registration Statement or the prospectus, or any amendment or supplement thereof, comply as to form in all material respects with the applicable requirements of the Securities Act and the published rules and regulations thereunder, and such letter shall additionally address such other financial matters (including information as to the period ending no more than five business days prior to the date of such letter) included in the Registration Statement in respect of which such letter is being given as the underwriters may reasonably request;

(g) make available for inspection by one representative of the Selling Holders, designated by a majority thereof, any underwriter participating in any distribution pursuant to such Registration Statement, and any attorney, accountant or other agent retained by such representative of the Selling Holders or underwriter (the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records"), and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement; provided, however, that with respect to any Records that are confidential, the Inspectors shall take such action as the Company may reasonably request in order to maintain the confidentiality of the Records. For purposes of subsections (a) and (b) above with respect to demand

registration only, the period of distribution of Registrable Securities in a firm commitment underwritten public offering shall be deemed to extend until the earlier of (a) the date each underwriter has completed the distribution of all securities purchased by it or (b) the date 90 calendar days subsequent to the effective date of such Registration Statement, and the period of distribution of Registrable Securities in any other registration shall be deemed to extend until the earlier of the sale of all Registrable Securities covered thereby or one year;

(h) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(i) use its commercially reasonable efforts to keep effective and maintain for the period specified in subsection (g) a registration, qualification, approval or listing obtained to cover the Registrable Securities as may be necessary for the Selling Holders to dispose thereof and shall from time to time amend or supplement any prospectus used in connection therewith to the extent necessary in order to comply with applicable law;

(j) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the Selling Holders to consummate the disposition of such Registrable Securities; and

(k) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of such Registrable Securities.

Each Selling Holder, upon receipt of notice from the Company of the happening of any event of the kind described in subsection (e) of this Section 2.3, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.3 or until it is advised in writing by the Company that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the prospectus, and, if so directed by the Company, such Selling Holder will, or will request the managing underwriter or underwriters, if any, to deliver to the Company (at the Company's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. If the Company shall give any such notice, the time periods mentioned in subsection (g) of this Section 2.3 shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each Selling Holder shall have received the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.3 hereof or the notice that they may resume use of the prospectus.

In connection with each registration hereunder with respect to an underwritten public offering, the Company and each Selling Holder agrees to enter into a written agreement with the managing underwriter or underwriters selected in the manner herein provided in such form and containing such provisions as are customary in the securities business for such an arrangement between underwriters and companies of the Company's size and investment stature.

Section 2.4 Cooperation By Selling Holders. The Company shall have no obligation to include in such Registration Statement shares of a Selling Holder who has failed to timely furnish such information which, in the written opinion of counsel to the Company, is reasonably required in order for the Registration Statement to comply with the Securities Act.

Section 2.5 Restrictions on Public Sale by Selling Holders of Registrable Securities. To the extent not inconsistent with applicable law, including insurance codes, each Selling Holder of Registrable Securities that is included in a Registration Statement which registers Registrable Securities pursuant to this Agreement agrees not to effect any public sale or distribution of the issue being registered (or any securities of the Company convertible into or exchangeable or exercisable for securities of the same type as the issue being registered) during the 14 business days before, and during the 90 calendar day period beginning on, the effective date of a Registration Statement filed by the Company (except as part of such registration), but only if and to the extent requested in writing (with reasonable prior notice) by the managing underwriter or underwriters in the case of an underwritten public offering by the Company of securities of the same type as the Registrable Securities, provided that the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction imposed by the underwriters on the officers or directors or any other stockholder of the Company on whom a restriction is imposed; and, provided further that to the extent the Selling Holders do not participate in the underwritten public offering, the period of time for which the Company is required to keep any other Registration Statement which includes Registrable Securities that is effective concurrently with the holdback period described above continuously effective shall be increased by a period equal to such requested holdback period.

Section 2.6 Restrictions on Public Sale by the Company. To the extent required by an underwriter in an underwritten public offering, the Company agrees not to effect on its own behalf any public sale or distribution of any securities similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities, during the 14 business days before, and during the 90 calendar day period beginning on, the effective date of any Registration Statement in which the Selling Holders of Registrable Securities are participating except pursuant to such Registration Statement or a Registration Statement on Form S-8 or Form S-4 or such other Registration Statements for (a) the resale of shares issued pursuant to an employee stock ownership trust or other benefit plan of a business acquired in an acquisition by the Company or (b) in connection with non- underwritten commitments to register the resale of securities issued to owners of a business acquired in an

acquisition by the Company. This section applies to the demand registration right only.

Section 2.7 Expenses.

(a) Certain Definitions. "Registration Expenses" means all expenses incident to the Company's performance under or compliance with this Agreement, including, without limitation, all registration and filing fees, blue sky fees and expenses, printing expenses, listing fees, fees and disbursements of counsel and independent public accountants for the Company, fees of the National Association of Securities Dealers, Inc., transfer taxes, fees of transfer agents and registrars, costs of insurance and reasonable out-of- pocket expenses, including, without limitation, all reasonable expenses incurred directly by the Selling Holders for one legal counsel, but excluding any Selling Expenses. "Selling Expenses" means all underwriting fees, discounts and selling commissions allocable to the sale of the Registrable Securities.

(b) Parties' Obligations. The Company will pay all Registration Expenses in connection with each Registration Statement filed pursuant to this Agreement, whether or not the Registration Statement becomes effective, and the Selling Holders shall pay all Selling Expenses in connection with any Registrable Securities registered pursuant to this Agreement.

Section 2.8 Indemnification.

(a) By the Company. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless each Selling Holder thereunder and each underwriter, pursuant to the applicable underwriting agreement with such underwriter, of Registrable Securities thereunder and each Person, if any, who controls such Selling Holder or underwriter within the meaning of the Securities Act and the Exchange Act, against any losses, claims, damages or liabilities (including reasonable attorneys' fees) (collectively, "Losses"), joint or several, to which such Selling Holder or underwriter or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Securities were registered under the Securities Act pursuant to this Agreement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each such Selling Holder, each such underwriter and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions; provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder, such underwriter or such controlling Person in writing specifically for use in such Registration Statement or prospectus.

(b) By the Selling Holder(s). Each Selling Holder agrees to indemnify and hold harmless the Company, its directors, officers, employees and agents and each Person, if any, who controls the Company within the meaning of the Securities Act or of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in any Registration Statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto; provided, however, that the liability of such Selling Holder shall not be greater in amount than the dollar amount of the proceeds (net of any Selling Expenses) received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under this Section 2.8. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such

indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.8 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, (i) if the indemnifying party has failed to assume the defense and employ counsel or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred.

(d) Contribution. If the indemnification provided for in this Section 2.8 is held by a court or government agency of competent jurisdiction to be unavailable to the Company or the Selling Holders or is insufficient to hold them harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses as between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and of each Selling Holder on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations; provided, however, that in no event shall a Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of the Company on the one hand and each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

Section 2.9 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use commercially reasonable efforts to:

(a) Make and keep public information regarding the Company available, as those terms are understood and defined in Rule 144 of the Securities Act, at all times from and after the Closing Date;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at all times from and after the Closing Date; and

(c) So long as a Holder owns any Registrable Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the

reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

Section 2.10 Transfer or Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities granted to Investor by the Company under this Article II may be transferred or assigned by Investor to a transferee or assignee of such Registrable Securities that is either (i) an Affiliate of Investor or (ii) a transferee who becomes subject to Investor's consents and agreements under the Settlement and Governance Agreement, provided that in the case of either clause (i) or (ii), the Company is given written notice prior to said transfer or assignment, stating the name and address of such transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, and, provided further, that such transferee or assignee assumes in writing the obligations of Investor under this Agreement. Such registration rights shall not otherwise be transferable (except for a transfer by operation of law).

ARTICLE III
PRE-EMPTIVE RIGHT

Section 3.1 Pre-Emptive Right. Subject to Section 3.5 hereof, the Company hereby grants to each Holder (the "Pre-Emptive Purchasers") an irrevocable right to purchase a Proportionate Number (as defined in Section 3.2(a)) of shares of Common Stock in respect of the issuance or sale (or deemed issuance or sale) by the Company, from time to time during each fiscal quarter of the Company commencing with the fiscal quarter during which this Agreement becomes effective, of New Securities to third parties (the "Pre-Emptive Right"). The Pre-Emptive Right shall be subject to the following provisions of this Article III.

Section 3.2 Certain Definitions and Determinations.

(a) Proportionate Number. The "Proportionate Number" of shares of Common Stock that may be purchased by a Pre-Emptive Purchaser in respect of the applicable fiscal quarter shall be the number of shares of Common Stock which such Pre-Emptive Purchaser would be required to purchase in order that such Pre-Emptive Purchaser's Fully Diluted Ownership Ratio, after giving effect to the issuance of the number of New Securities (as defined in Section 3.2(b)) issued or sold (or deemed to be issued or sold) by the Company to third parties during such applicable fiscal quarter of the Company would be equal to such Pre-Emptive Purchaser's Fully Diluted Ownership Ratio at the beginning of such fiscal quarter.

(b) "New Securities" shall mean (i) any Voting Capital Stock (as defined in Section 3.2(c) below) of the Company whether now authorized or not and (ii) in the case of the issuance or sale of rights, options, or warrants to purchase such Voting Capital Stock, and securities of any type whatsoever that are, or may become, convertible into Voting Capital Stock (collectively, "Capital Stock Equivalents"), the Voting Capital Stock issued upon the exercise or conversion of such Capital Stock Equivalents (including securities issued upon conversion or exercise of any currently outstanding Capital Stock Equivalents); provided that the term "New Securities" does not include (i) securities issuable upon conversion of the Preferred Stock; (ii) securities issued in connection with any stock split, stock dividend or recapitalization of the

Company; or (iii) securities issued upon conversion or exercise of any Capital Stock Equivalents if the Pre-Emptive Right was provided upon the issuance of such Capital Stock Equivalent.

(c) "Voting Capital Stock" shall mean Common Stock or other capital stock which is entitled to vote generally with the Common Stock upon the election of directors and other matters submitted to a general vote of stockholders.

(d) "Closing Price" shall mean on any particular date (i) the last sale price per share of the Common Stock on such date on the principal stock exchange on which the Common Stock has been listed or, if there is no such price on such date, then the last sale price on such exchange on the date nearest preceding such date, (ii) if the Common Stock is not listed on any stock exchange, the final bid price for a share of Common Stock in the over-the-counter market, as reported by the National Association of Securities Dealers Automated Quotation System ("NASDAQ") at the close of business on such date, or the last sales price if such price is reported and final bid prices are not available, (iii) if the Common Stock is not quoted on the NASDAQ, the bid price for a share of Common Stock in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting prices), or (iv) if the Common Stock is no longer publicly traded, as determined in good faith by the Board of Directors of the Company based upon the price that would be paid by a willing buyer of the shares at issue, in a sale process designed to maximize value and attract a reasonable number of participants to provide a fair determination of such value.

Section 3.3 Mechanics. In the event the Company issues or sells (or is deemed to issue or sell) New Securities during any fiscal quarter of the Company, within two business days after the end of such fiscal quarter, the Company shall give each Pre-Emptive Purchaser written notice of the issuance or sale, describing the type of New Securities issued or sold, the date of the issuance or sale (or deemed issuance or sale), the Proportionate Number of shares of Common Stock that it may acquire as a result of the issuance or sale of such New Securities and the aggregate purchase price payable by it upon exercise of its Pre-Emptive Right (including relevant details as to the calculation of such purchase price). The purchase price for each such share of Common Stock shall be equal to the Closing Price of the Common Stock on the date of issuance or sale (or deemed issuance or sale) of the corresponding New Security. Each Pre-Emptive Purchaser shall exercise its Pre- Emptive Right (if at all) by delivering, within 10 business days after the end of such fiscal quarter in which the New Securities were issued or sold (or deemed to be issued or sold), (a) notice to the Company stating therein the quantity of its

Proportionate Number of shares of Common Stock to be purchased and (b) payment to the Company of the aggregate purchase price for such shares in immediately available funds. Thereupon, the Company shall promptly issue and deliver such Pre-Emptive Purchaser a certificate or certificates for the number of shares of Common Stock which the Pre-Emptive Purchaser has elected to purchase. Notwithstanding the foregoing, in the event that the Company shall notify a Pre-Emptive Purchaser in writing that the Company intends to effect a sale of any New Securities in an underwritten offering under the Securities Act or under Rule 144A of the Securities Act (which notice shall include the proposed maximum number of securities to be offered and the estimated price range per share), such Pre-Emptive Purchaser shall notify the Company within 72 hours after receipt of such notice as to such Pre-Emptive Purchaser's election to participate as a purchaser in such offering with respect to the number of shares of Common Stock in such offering, if any, subject to such Pre-Emptive Purchaser's Pre-Emptive Rights. A Pre-Emptive Purchaser's participation in such offering shall supersede any Pre-Emptive Right with respect to the securities which are the subject of such offering, and in the

event a Pre-Emptive Purchaser elects not to participate as a purchaser in such offering, such Pre-Emptive Purchaser shall not have any Pre-Emptive Right with respect to the securities so offered.

Section 3.4 Adjustments. The applicable purchase price and the Proportionate Number shall be adjusted appropriately to reflect stock dividends, combinations, splits, reclassifications, exchanges, substitutions or other similar adjustments with respect to the Common Stock during the relevant fiscal quarter that occur prior to the exercise of the applicable Pre-Emptive Right.

Section 3.5 Transfer of Pre-Emptive Right. Subject to Section 3.6, all or a portion of the Pre-Emptive Right set forth in this Article III may be transferred or assigned by Investor, only to a transferee or assignee of Registrable Securities that is either (i) an Affiliate of Investor or (ii) a transferee who becomes subject to Investor's covenants and agreements under the Settlement and Governance Agreement, provided that in the case of clause (i) or (ii), (x) the Company is given written notice prior to said transfer or assignment, stating the name and address of such transferee or assignee and identifying the securities with respect to which such Pre-Emptive Rights are being transferred or assigned, (y) such transferee or assignee assumes in writing the obligations of such Pre-Emptive Purchaser under this Agreement and (z) in the case of a partial transfer, Investor retains a pro rata Pre-Emptive Right to the extent of any Registrable Securities not transferred or assigned. Such pre-emptive rights shall not otherwise be transferable (except for a transfer by operation of law).

Section 3.6 Termination of Pre-Emptive Right. The Pre-Emptive Right granted under this Agreement shall terminate as to any Holder if the total number of Registrable Securities owned by such Holder represents less than 10% of the total number of shares of Common Stock outstanding (assuming full conversion of all Preferred Stock).

ARTICLE IV
TRANSFERS OF SHARES

Section 4.1 Transfers. Except as otherwise expressly provided herein or in the Settlement and Governance Agreement and subject to applicable law, a Holder may, voluntarily or involuntarily, directly or indirectly, sell, transfer, assign, donate, pledge or otherwise encumber or dispose of any interest in all or any portion of the shares of Preferred Stock and the Conversion Shares (a "Transfer") without restriction.

Section 4.2 Securities Laws; Assignment of Obligations. A Holder shall not effect any Transfer until:

(a) There is then in effect a Registration Statement covering such proposed disposition and such disposition is made in accordance with such Registration Statement; or

(b) Such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition is exempt from registration under the Securities Act; provided however, that it is agreed that the Company will not require opinions of Holder's counsel for transactions made pursuant to Rule 144 except in unusual circumstances.

Section 4.3 Transfers to Competitors. A Holder may not Transfer any portion

of the Preferred Stock to any Competitor.

Section 4.4 Legend.

(a) Each certificate representing Preferred Stock shall (unless otherwise permitted by the provisions of this Agreement or the Settlement and Governance Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAW OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED TO EFFECTUATE SUCH TRANSACTION.
>
> THE SALE, TRANSFER OR PLEDGE OF THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN AMENDED AND RESTATED INVESTOR'S RIGHTS AGREEMENT AND A CERTAIN SETTLEMENT AND GOVERNANCE AGREEMENT BETWEEN THE COMPANY AND CERTAIN HOLDERS OF ITS SECURITIES, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME. COPIES OF SUCH AGREEMENTS MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY. THE SALE, TRANSFER OR PLEDGE OF THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE COMPANY, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME. COPIES OF SUCH CERTIFICATE MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(b) The Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder if the Holder shall have obtained an opinion of counsel at such Holder's expense (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of under Rule 144(k) (or any successor thereto or substantially equivalent exemption) without registration, qualification or legend.

Section 4.5 Improper Transfer. Any attempt to Transfer any Preferred Stock which is not in accordance with this Agreement shall be null and void, and the Company shall not give any effect to such attempted Transfer in the records of the Company.

ARTICLE V
MISCELLANEOUS

Section 5.1 [Intentionally Omitted.]

Section 5.2 Communications. All notices and other communications provided for or permitted hereunder shall be made in writing by telecopy, courier service or personal delivery:

(a) if to a Holder, at the most current address given by such Holder to the Company in accordance with the provisions of this Section 5.2, which address initially is, with respect to Investor, the address set forth in the Settlement and Governance Agreement, and

(b) if to the Company, initially at its address set forth in the Settlement and Governance Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 5.2. All such notices and communications shall be deemed to have been received at the time delivered by hand, if personally delivered; when receipt acknowledged, if telecopied or sent via Internet electronic mail; and when actually received, if sent by any other means.

Section 5.3 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent holders of Registrable Securities as set forth in Section 5.11.

Section 5.4 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 5.5 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 5.6 Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of Delaware without regard to

principles of conflicts of laws. Any judicial proceedings with respect to this Agreement shall be brought in a federal or state court located in the State of Delaware, and by execution and delivery of this Agreement, each party accepts, generally and unconditionally, the exclusive jurisdiction of such court and any related appellate court, irrevocably agrees to be bound by any judgment rendered thereby, and waives any objection to the laying of venue in any such proceedings in such courts. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions, including preliminary relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity. If any party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives any claim or defense therein that the plaintiff party has an adequate remedy at law.

Section 5.7 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions

hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 5.8 Entire Agreement. This Agreement and the Settlement and Governance Agreement, together with the Strategic Alliance Agreement and the Securities Purchase Agreement previously executed and delivered by the Company and Investor, are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by the Company set forth herein. This Agreement and such other Agreements supersede all prior agreements and understandings between the parties with respect to such subject matter (including without limitation the Original Agreement). Without limiting the foregoing, to the extent that any provision therein is inconsistent with, or deals with the same subject matter as, any provision of this Agreement, the Securities Purchase Agreement is hereby superseded.

Section 5.9 Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement, the successful party shall be entitled to recover reasonable attorneys' fees in addition to its costs and expenses and any other available remedy.

Section 5.10 Amendment. This Agreement may be amended only by means of a written amendment signed by the Company and by Holders owning a majority of the Registrable Securities.

Section 5.11 Rights of Assignee. Subject to the provisions of Sections 2.10, 3.5 and 4.4 hereof, the rights of an assignee under this Section 5.11 shall be the same rights granted to the assigning Holder under this Agreement. In connection with any such assignment, the term "Holder" as used herein shall, where appropriate to assign the rights and obligations of the assigning Holder hereunder to such assignee, be deemed to refer to the assignee.

Section 5.12 No Presumption. In the event any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 5.13 References to this Agreement. References to numbered or lettered articles, section, and subsections refer to articles, sections, and subsections, respectively, of this Agreement unless otherwise expressly stated.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

QUANTA SERVICES, INC.

By: /s/ John R. Colson

Name: John R. Colson
Title: Chief Executive Officer

AQUILA, INC.

By: /s/ Keith G. Stamm

Name: Keith G. Stamm
Title: President and COO
Global Networks Group

SIGNATURE PAGE TO AMENDED AND RESTATED
INVESTOR'S RIGHTS AGREEMENT

EXHIBIT 99.1

[QUANTA SERVICES, INC. LOGO] [AQUILA, INC. LOGO]

FOR IMMEDIATE RELEASE

QUANTA AND AQUILA SETTLE PROXY CONTEST
AND WILL WORK TOGETHER TO BENEFIT ALL STOCKHOLDERS

AQUILA WITHDRAWS LITIGATION; AGREES TO STANDSTILL PROVISIONS;
QUANTA TERMINATES SECT

QUANTA REINSTATES 2001 STOCK BUYBACK PROGRAM

QUANTA CEO, JOHN R. COLSON, NAMED CHAIRMAN OF BOARD

ANNUAL MEETING POSTPONED; EXPECTED TO BE HELD IN LATE JUNE

HOUSTON AND KANSAS CITY - MAY 20, 2002 - Quanta Services, Inc. (NYSE: PWR), a leading provider of specialized contracting services to the electric power, gas, telecommunications and cable television industries, and Aquila, Inc. ((NYSE: ILA), formerly UtiliCorp United Inc.), an international energy and risk management company and Quanta's largest stockholder, today announced that they have reached an agreement for Aquila to terminate its proxy contest for control of Quanta's Board of Directors. Quanta's May 23, 2002 annual meeting of stockholders has been postponed and is expected to be held in late June 2002. As part of the settlement, Quanta has reinstated its $75 million open market stock repurchase program, under which approximately $60 million of capacity remains.

Under the terms of the agreement, Aquila will withdraw all pending litigation and arbitration against Quanta. The settlement calls for a 10-person Board with Aquila retaining its three designees, and with three Quanta designees, three independent Directors and one Limited Vote Common Stock Director. One of the independent Directors will be designated by Quanta, one by Aquila and the third will be chosen by the two other independent Directors. Aquila Directors will be represented on all Board committees except those required to consist solely of independent Directors. The Board's compensation committee will establish and administer stock retention guidelines for senior executive officers.

Quanta and Aquila have also agreed to a standstill whereby Aquila will not purchase Quanta shares on the open market and will not wage another proxy fight for control of Quanta. Aquila retains the right to commence a tender offer to increase its ownership to a majority stake in Quanta, but consummation of any such offer is subject to approval of a designated committee of independent directors. If Aquila's ownership stake exceeds 50%, Aquila will have the right to designate a majority of the directors to Quanta's Board and significant provisions will protect minority stockholders. Also as part of the agreement, Quanta will terminate the Stock Employee Compensation Trust (SECT) at no cost to the Company.

Separately, Quanta announced that John R. Colson, Quanta's chief executive officer, has been named chairman of the Board effective immediately. Colson said, "We are very pleased to have reached this agreement with Aquila and strongly believe that it is in the best interests of all of our stockholders, customers and employees. We now have a clear understanding with our largest stockholder while protecting the interests of our other public stockholders. We believe that Quanta is well positioned to continue to generate strong results and create value for its stockholders."

Robert K. Green, president and chief executive officer of Aquila, said, "We are pleased to have reached this settlement with Quanta, which remains the leader in its industry with its strong and dedicated work force. It is time to end the dispute and redirect all of our efforts to creating value for stockholders. We agree that this settlement is in the best interests of all Quanta stockholders, customers and employees, and we look forward to working with Quanta's management to further enhance long-term stockholder value. We believe Quanta has a strong foundation for improved financial and stock performance, particularly as economic conditions improve."

Colson concluded, "I want to thank all of Quanta's employees for their constant support and dedication to our business through what has been a distracting process. The past three months have reinforced just how tremendous a company Quanta is. We look forward to continuing to provide all Quanta customers with the same high-levels of service to which they have grown accustomed."

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.

Based in Kansas City, Missouri, Aquila (formerly UtiliCorp United Inc.) is an international energy and risk management company. Aquila is one of the largest wholesalers of electricity and natural gas in North America, provides wholesale energy services in the United Kingdom and has a presence in Germany and Scandinavia. It also operates electricity and natural gas distribution networks serving more than 6 million customers in seven states and in Canada, the United Kingdom, New Zealand and Australia. At March 31, 2002, Aquila had total assets of $12.3 billion and 12-month sales of $37.3 billion. More information is available at www.aquila.com.

IMPORTANT INFORMATION
This press release contains various forward-looking statements and information. 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, and the ability of Quanta to complete acquisitions and to effectively integrate the operations of acquired Companies, 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.

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