

Registration No. 333-90961

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO.1
TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

QUANTA SERVICES, INC.
(Exact name of registrant as specified in its charter)

<TABLE>		
<CAPTION>		
<S>	<C>	<C>
Delaware	1731	74-2851603
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)
</TABLE>		

Brad Eastman
Vice President, Secretary and General Counsel
1360 Post Oak Boulevard, Suite 2100
Houston, Texas 77056
(713) 629-7600
(Name, address, including zip code, and telephone number, including area code,
of registrant's principal executive offices and agent for service)

Approximate date of commencement of proposed sale to the public: From time
to time after this registration statement becomes effective.

If the only securities being registered on this form are being offered
pursuant to dividend or interest reinvestment plans, check the following box. []

If any of the securities being registered on this form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, check the following box and
list the Securities Act registration statement number of the earlier effective
registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box. []

* The information in this prospectus is not complete and may be changed. *
* The selling stockholders may not sell these securities until the *
* registration statement filed with the Securities and Exchange *
* Commission is effective. This prospectus is not an offer to sell these *
* securities and it is not soliciting an offer to buy these securities *
* in any state where the offer or sale is not permitted. *

Subject to Completion

2,034,849 Shares

[Logo of Quanta appears here]

Common Stock

The 2,034,849 shares of our common stock being offered by this prospectus are being offered by the selling stockholder listed under the heading "Selling Stockholder" on page 12. The shares of common stock will be sold by the selling stockholder from time to time.

We will not receive any of the proceeds from the sale of the common stock by the selling stockholder. Our common stock is traded on the New York Stock Exchange under the symbol "PWR." On November 11, 1999, the last reported sale price for the common stock on the New York Stock Exchange was \$30.9375 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS WHICH ARE DESCRIBED IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 1999

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements, and other information with the Securities and Exchange Commission. You may read and copy any reports, statements, or other information we file with the SEC at its public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>. In addition, you can inspect and copy our reports, proxy statements and other information at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common stock is listed.

We filed a registration statement on Form S-3 to register with the SEC our common stock offered by the selling stockholder. This prospectus is part of that registration statement. As permitted by SEC rules, this prospectus does not contain all of the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows us to "incorporate by reference" the information we filed with them, which means that we can disclose important information to you by referring to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus, and information later filed with the SEC will update and supersede this information.

We incorporate by reference the documents listed below:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 1998;
2. Quarterly Report on Form 10-Q for the three months ended March 31, 1999;
3. Quarterly Report on Form 10-Q for the three months ended June 30, 1999;
4. Quarterly Report on Form 10-Q for the three months ended September 30, 1999;

5. Current Report on Form 8-K filed February 26, 1999, as amended by Form 8-K/A filed April 23, 1999;
6. Current Report on Form 8-K filed June 17, 1999;
7. Current Report on Form 8-K filed on November 15, 1999.
8. Current Report on Form 8-K filed on December 21, 1999.

You may request a copy of these filings, at no cost, by writing or telephoning:

Quanta Services, Inc.
Attn: Corporate Secretary
1360 Post Oak Blvd., Suite 2100
Houston, Texas 77056
(713) 629-7600

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of the document.

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ABOUT QUANTA SERVICES, INC.

We are a leading provider of specialized contracting services to electric utilities, telecommunication and cable television operators, and governmental entities. We also install transportation control and lighting systems and provide specialty electric power and communication services for industrial and commercial customers.

We are a Delaware corporation and our executive offices are located at 1360 Post Oak Blvd., Suite 2100, Houston, Texas 77056. Our telephone number at that address is (713) 629-7600.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information contained in this prospectus before deciding to invest in our common stock. We believe the following risks represent the known, material risks facing our company, in addition to the risks which typically face any company in our industry. If any of the following risks actually occur, our business, financial condition and operating results could be materially adversely affected. In that case, the trading price of our common stock could decline, and you could lose a part or all of your investment.

WE HAVE A LIMITED HISTORY OF OPERATING AND INTEGRATING OUR ACQUIRED BUSINESSES

If we are unable to integrate or successfully manage the companies we have acquired or may acquire in the future, our business, financial condition and results of operations could be materially and adversely affected. We were founded in August 1997 but conducted no operations and generated no revenues prior to acquiring four businesses in February 1998. These four businesses and the other businesses we have acquired since February 1998 have been operating as separate entities and we expect that many of these businesses and many others we acquire will continue to operate as separate entities with a large degree of operating autonomy. To manage the combined enterprise on a profitable basis, we must institute certain necessary common systems and procedures. We intend to integrate the computer, accounting and financial reporting systems, and certain of the operational, administrative, banking and insurance procedures of the businesses we acquire. However, we cannot be certain that we will successfully institute these common systems and procedures. In addition, we cannot be certain that our recently assembled management group will be able to successfully manage the businesses we acquire as a combined entity and effectively implement our operating or growth strategies.

THERE ARE RISKS RELATED TO OUR OPERATING AND INTERNAL GROWTH STRATEGIES

A key element of our strategy is to increase the profitability and revenues of the businesses we acquire. Although we have begun to implement this strategy by various means, we cannot be certain that we will be able to continue to do so successfully. Another key component of our strategy is to operate the businesses we acquire on a decentralized basis, with local management retaining responsibility for day-to-day operations, profitability and the internal growth of the individual business. If we do not implement proper overall business controls, this decentralized operating strategy could result in inconsistent operating and financial practices at the businesses we acquire, and our overall

profitability could be adversely affected. Our ability to generate internal growth will be affected by, among other factors, our ability to:

- . expand the range of services we offer to customers;
- . attract new customers;
- . increase the number of projects performed for existing customers;
- . hire and retain employees;

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- . open additional facilities; and
- . reduce operating and overhead expenses.

Many of the factors affecting our ability to generate internal growth may be beyond our control, and we cannot be certain that our strategies will be successful or that we will be able to generate cash flow sufficient to fund our operations and to support internal growth. Our inability to achieve internal growth could materially and adversely affect our business, financial condition and results of operations.

WE MAY BE UNSUCCESSFUL IN IDENTIFYING OR INTEGRATING ACQUIRED COMPANIES

We have grown rapidly through the acquisition of 55 businesses. A principal part of our business growth strategy will be to make additional acquisitions on a selective basis as opportunities arise. One of our principal growth strategies is to increase our revenues and the markets we serve through the acquisition of additional electric and telecommunications infrastructure contracting companies. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and may lead to higher acquisition prices. We cannot be sure that we will be able to identify, acquire or profitably manage additional businesses. We also cannot be sure that we can integrate successfully any acquired businesses with our other operations without substantial costs, delays or other operational or financial problems. Further, acquisitions involve a number of special risks which could materially and adversely affect our business, financial condition and results of operations. These special risks include:

- . failure of the acquired businesses to achieve the results we expect;
- . diversion of our management's attention from operational matters;
- . our inability to retain key personnel of the acquired businesses;
- . risks associated with unanticipated events or liabilities;
- . difficulties integrating the operations and personnel of acquired companies;
- . the potential disruption of our business;
- . the difficulty of maintaining uniform standards, controls, procedures and policies; and
- . customer dissatisfaction or performance problems at the acquired business may materially and adversely affect the reputation of our company.

WE MAY NOT HAVE ACCESS TO SUFFICIENT FUNDING TO FINANCE FUTURE ACQUISITIONS

If we cannot secure additional financing on acceptable terms, we may be unable to pursue our acquisition strategy successfully and we may be unable to support our growth strategy. We cannot readily predict the timing, size and success of our acquisition efforts or the capital we will need for these efforts. We intend to continue to use our common stock for all or a portion of the consideration for future acquisitions. These issuances could have a dilutive effect on our then existing

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stockholders. If our common stock does not maintain a sufficient market value or potential acquisition candidates are unwilling to accept our common stock as part of the consideration for the sale of their businesses, we may be required to utilize more of our cash resources to pursue our acquisition program. Using cash for acquisitions limits our financial flexibility and makes us more likely to seek additional capital through future debt or equity financings. If we seek more debt, we may have to agree to financial covenants that limit our operational and financial flexibility. If we seek more equity, we may dilute the ownership interests of our then existing stockholders. When we seek additional debt or equity financings, we cannot be certain that additional debt or equity will be available to us at all or on terms acceptable to us. Our \$350 million

revolving credit facility contains a requirement to obtain the consent of the lenders for acquisitions exceeding a certain level of cash consideration.

OUR BUSINESS GROWTH COULD OUTPACE THE CAPABILITY OF OUR CORPORATE MANAGEMENT AND SYSTEMS

We expect to grow both internally and through acquisitions. We expect to expend significant time and effort in evaluating, completing and integrating acquisitions and opening new facilities. We cannot be certain that our systems, procedures and controls will be adequate to support our operations as they expand. Any future growth also will impose significant additional responsibilities on members of our senior management, including the need to recruit and integrate new senior level managers and executives. We cannot be certain that we can recruit and retain such additional managers and executives. To the extent that we are unable to manage our growth effectively, or are unable to attract and retain additional qualified management, our financial condition and results of operations could be materially and adversely affected.

WE MAY BE UNABLE TO ATTRACT AND RETAIN QUALIFIED EMPLOYEES

Our ability to provide high-quality services on a timely basis requires that we employ an adequate number of skilled electricians, journeymen linemen and project managers. Accordingly, our ability to increase our productivity and profitability will be limited by our ability to employ, train and retain skilled personnel necessary to meet our requirements. We, like many of our competitors, are currently experiencing shortages of qualified personnel. We cannot be certain that we will be able to maintain an adequate skilled labor force necessary to operate efficiently and to support our growth strategy or that our labor expenses will not increase as a result of a shortage in the supply of skilled personnel.

THE EXTENT OF OUR UNIONIZED WORKFORCE COULD ADVERSELY AFFECT OUR OPERATIONS OR ACQUISITION STRATEGY

As of September 30, 1999, approximately 36% of our employees were covered by collective bargaining agreements. Although the majority of these agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur in the future. Strikes or work stoppages would adversely impact our relationship with our customers and could materially and adversely affect our business, financial condition and results of operations. In addition, our acquisition strategy could be adversely affected because of our union status for a variety of reasons. For instance, our union agreements may be incompatible with the union agreements of a business we want to acquire and some businesses may not want to become affiliated with a union based company.

WE MAY BE UNABLE TO SUCCESSFULLY COMPETE WITH OTHER COMPANIES IN THE INDUSTRY

The electric and telecommunications infrastructure contracting industry is highly competitive and is served by numerous small, owner-operated private companies, public companies and several large regional companies. In addition, relatively few barriers prevent entry into our industry. As a result, any organization that has adequate financial resources and access to technical expertise may become one of our competitors. Competition in the industry depends on a number of factors, including price. Certain of our competitors may have lower overhead cost structures and may, therefore, be able to provide their services at lower rates than we can provide such services. In addition, some of our competitors are larger and have greater resources than us. We cannot be certain that our competitors will not develop the expertise, experience and resources to provide services that are superior in both price and quality to our services. Similarly, we cannot be certain that we will be able to maintain or enhance our competitive position.

We may also face competition from the in-house service organizations of our existing or prospective customers. Electric utility and telecommunications service providers usually employ personnel who perform some of the same types of services as we do. We cannot be certain that our existing or prospective customers will continue to outsource services in the future.

OUR DEPENDENCE UPON FIXED PRICE CONTRACTS AND MASTER SERVICE AGREEMENTS COULD ADVERSELY AFFECT OUR BUSINESS

We currently generate, and expect to continue to generate, a significant portion of our revenues under fixed price contracts. We must estimate the costs of completing a particular project to bid for such fixed price contracts. The cost of labor and materials, however, may vary from the costs we originally estimated. These variations, along with other risks inherent in performing fixed price contracts, may result in actual revenue and gross profits for a project differing from those we originally estimated and could result in reduced profitability and losses on projects. Depending upon the size of a particular project, variations from estimated contract costs can

have a significant impact on our operating results for any fiscal quarter or year.

Certain of our customers assign work to us on a project by project basis under master service agreements. Under master service agreements, our customer generally has no obligation to assign work to us. We cannot be certain that customers with whom we have master service agreements will continue to assign work to us. A significant decline in work assigned to us under these contracts could materially and adversely affect our results of operations.

OUR OPERATING RESULTS MAY VARY SIGNIFICANTLY QUARTER-TO-QUARTER

The electric and telecommunications infrastructure contracting business can be subject to seasonal variations. During the winter months, demand for new projects and maintenance services may be lower due to inclement weather. Additionally, the industry can be highly cyclical. As a result, our volume of business may be adversely affected by declines in new projects in various geographic regions of the U.S. Our quarterly results may also be materially affected by:

- . the timing of acquisitions;
- . variations in the margins of projects performed during any particular quarter;

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- . the timing and magnitude of acquisition assimilation costs;
- . the timing and volume of work under new agreements;
- . the budgetary spending patterns of customers;
- . the termination of existing agreements;
- . costs we incur to support growth internally or through acquisitions or otherwise;
- . the change in mix of our customers, contracts and business;
- . increases in construction and design costs; and
- . regional or general economic conditions.

Accordingly, our operating results in any particular quarter may not be indicative of the results that you can expect for any other quarter or for the entire year.

WE COULD HAVE POTENTIAL EXPOSURE TO ENVIRONMENTAL LIABILITIES

Our operations are subject to various environmental laws and regulations, including those dealing with the handling and disposal of waste products, PCBs, fuel storage and air quality. As a result of past and future operations at our facilities, we may be required to incur environmental remediation costs and other cleanup expenses. In addition, we cannot be certain that we will be able to identify or be indemnified for all potential environmental liabilities relating to any acquired business.

THE DEPARTURE OF KEY PERSONNEL COULD DISRUPT OUR BUSINESS

We depend on the continued efforts of our executive officers and on senior management of the businesses we acquire. Although we intend to enter into an employment agreement with each of our executive officers and other key employees, we cannot be certain that any individual will continue in such capacity for any particular period of time. The loss of key personnel, or the inability to hire and retain qualified employees, could adversely effect our business, financial condition and results of operations. We do not intend to carry key-person life insurance on any of our employees.

SHARES ELIGIBLE FOR FUTURE SALE BY OUR CURRENT STOCKHOLDERS MAY ADVERSELY AFFECT OUR STOCK PRICE

If our stockholders sell substantial amounts of our common stock (including shares issued upon the exercise of outstanding options) in the public market following this offering, the market price of our common stock could fall. Such sales might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. As of October 30, 1999 we have outstanding 36,461,949 shares of common stock and Limited Vote Common Stock, assuming no exercise of outstanding options after October 30, 1999 and no conversion of our convertible subordinated notes or Series A Preferred Stock. Of these shares, the 2,034,849 shares offered by this prospectus, together with 26,220,670 additional shares are freely tradable or tradable pursuant to Rule 144.

CERTAIN PROVISIONS OF OUR ARTICLES OF INCORPORATION AND BYLAWS COULD MAKE AN ACQUISITION OF OUR COMPANY MORE DIFFICULT

The following provisions of our certificate of incorporation and bylaws, as currently in effect, as well as Delaware law, could discourage potential acquisition proposals, delay or prevent a change in our control or limit the price that investors may be willing to pay in the future for shares of our common stock. Our certificate of incorporation permits our Board of Directors to issue "blank check" preferred stock and to adopt amendments to our bylaws. Our bylaws contain restrictions regarding the right of stockholders to nominate directors and to submit proposals to be considered at stockholder meetings. Also, our certificate of incorporation and bylaws restrict the right of stockholders to call a special meeting of stockholders and to act by written consent. We are also subject to provisions of Delaware law which prohibit us from engaging in any of a broad range of business transactions with an "interested stockholder" for a period of three years following the date such stockholder became classified as an interested stockholder.

WE DO NOT EXPECT TO PAY DIVIDENDS IN THE NEAR FUTURE

We have never paid any cash dividends and do not anticipate paying cash dividends on our common stock in the immediate future.

THE BOOK VALUE OF YOUR COMMON STOCK MAY BE SUBSTANTIALLY DILUTED

In the event that we issue additional common stock in the future, including shares that may be issued in connection with future acquisitions or other public or private financings, purchasers of common stock in this offering may experience dilution.

THE YEAR 2000 PROBLEM COULD DISRUPT OUR BUSINESS

Many currently installed computer systems and software products are coded to accept only two-digit entries in the date code field. Beginning in the year 2000, these date code fields will need to accept four-digit entries to distinguish 21st century dates from 20th century dates. As a result, computer system and software used by many companies may need to be upgraded to comply with such "Year 2000" requirements. We cannot be certain that unexpected Year 2000 compliance problems of our systems or of our vendors, customers and service providers will not materially and adversely affect our business, financial condition or operating results. The unanticipated failure of one of these systems to properly recognize date information beyond the year 1999 could have a significant adverse impact on our ability to deliver services to customers and to manage our continuing operations.

OUR FORWARD-LOOKING STATEMENTS MAY PROVE TO BE INACCURATE

A number of statements in this prospectus address activities, events or developments which we anticipate may occur in the future, including our strategy for internal growth and improved profitability, the nature and amount of additional capital expenditures, acquisitions of assets and businesses and industry trends. These statements are based on certain assumptions and analyses we make in light of our perception of historical trends, current business and economic conditions and expected future developments, as well as other factors we believe are reasonable or appropriate. However, whether actual results and developments will conform with our expectations is subject to a number of risks and uncertainties, including:

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- . the risk factors discussed in this prospectus;
- . general economic, market or business conditions;
- . the business opportunities (or lack thereof) that may be presented to and pursued by us; and
- . changes in laws or regulations and other factors.

Many of these risks and uncertainties are beyond our control. Consequently, we cannot be certain that the actual results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected effects on our business or operations.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares by the selling stockholder.

SELLING STOCKHOLDER

The following table sets forth certain information regarding the ownership of our common stock as of November 1, 1999. The shares offered by this prospectus may be offered and sold from time to time by the selling stockholder, or by pledgees, donees or transferees of, or certain other successors in interest to, the selling stockholder.

<TABLE>
<CAPTION>

	Shares Owned Prior to Offering		Number of Shares Being Registered For Sale	Shares Owned If All Shares Are Sold	
	Number	Percent		Number	Percent
<S>	<C>	<C>	<C>	<C>	<C>
SELLING STOCKHOLDER:					
Billy R. Jones.....	2,051,436	6.1%	2,034,849	16,587	*
Total.....	2,051,436	6.1%	2,034,849	16,587	*
	=====	=====	=====	=====	=====

</TABLE>

* Represents less than 1.0%

Mr. Jones has contractually agreed with us not to sell 1,017,425 shares of our common stock until August 13, 2000, and 508,712 shares of our common stock until August 13, 2001.

PLAN OF DISTRIBUTION

The common stock may be sold or distributed from time to time by the selling stockholder, or by pledgees, donees or transferees of, or other successors in interest to, the selling stockholder, directly to one or more purchasers, including pledgees, or through brokers, dealers or underwriters who may act solely as agents or may acquire shares as principals, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. The distribution of the common stock may be effected by one or more of the following methods:

- . ordinary brokers' transactions, which may include long or short sales;
- . transactions involving cross or block trades or otherwise on the New York stock Exchange or other stock exchange on which the common stock may be listed from time to time;
- . purchases by brokers, dealers or underwriters as principals and resale by such purchasers for their own accounts pursuant to this prospectus;
- . "at the market" to or through market makers or into an existing market for the common stock;
- . in other ways not involving market makers or established trading markets, including direct sales to purchasers or sales effected through agents;
- . through transactions in options, swaps or other derivatives (whether exchange-listed or otherwise); or
- . any combination of the foregoing, or by any other legally available means.

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In addition, the selling stockholder or his successors in interest may enter into hedging transactions with broker-dealers who may engage in short sales of common stock in the course of hedging the positions they assume with the selling stockholder. The selling stockholder or his successors in interest may also enter into option or other transactions with broker-dealers that require the delivery to such broker-dealers of the shares, which shares may be resold thereafter pursuant to this prospectus.

Brokers, dealers, underwriters or agents participating in the distribution of the shares as agent may receive compensation in the form of discounts, concessions or commissions from the selling stockholder (and, if they act as agent for the purchaser of such shares, from such purchaser). Such discounts concessions or commissions as to a particular broker, dealer, underwriter or agent might be greater or less than those customary in the type

of transaction involved.

Any underwriter may engage in stabilizing transactions in accordance with Rule 104 under the Exchange Act. Rule 104 permits stabilizing bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. The underwriters may over-allot shares of the common stock in connection with an offering of common stock, thereby creating a short position in the underwriters' account. These transactions, if commenced, may be discontinued at any time.

The selling stockholder and any brokers, dealers, underwriters or agents that participate in the distribution of the shares may be deemed to be "underwriters" within the meaning of the Securities Act, and any discounts, commissions or concessions received by any such persons might be deemed to be underwriting discounts and commissions under the Securities Act. Neither we nor the selling stockholder can presently estimate the amount of such compensation. We know of no existing arrangements between the selling stockholder and any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the shares.

To the extent required, we will file, during any period in which offers or sales are being made, a supplement to this prospectus which sets forth, with respect to a particular offering, the specific number of shares to be sold, the sales price, the name of any participating broker, dealer, underwriter or agent, any applicable commission or discount and any other material information with respect to the plan of distribution not previously disclosed.

We will not receive any of the proceeds from the sale of the shares offered by the selling stockholder. We will pay substantially all of the expenses incident to this offering of the shares by the selling stockholder to the public other than commissions and discounts of brokers, dealers, underwriters or agents.

In order to comply with certain states' securities laws, if applicable, the shares will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the common stock may not be sold unless the common stock has been registered or qualified for sale in such state or an exemption from registration or qualification is available and is satisfied.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for Quanta by Brad Eastman, Quanta's Vice President, Secretary and General Counsel.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses to be paid by the Company (other than underwriting compensation expected to be incurred) in connection with the offering described in this Registration Statement. All amounts are estimates, except the SEC Registration Fee.

<TABLE>	
<CAPTION>	
<S>	
SEC Registration Fee	\$17,536.33
Printing Costs.....	5,000.00
Accounting Fees and Expenses.....	1,000.00
Miscellaneous.....	1,463.67

Total.....	\$25,000.00
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</TABLE>	

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Delaware General Corporation Law

Section 145(a) of the General Corporation Law of the State of Delaware (the "DGCL") provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation

as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 145(b) of the DGCL states that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in

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view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 145(d) of the DGCL states that any indemnification under subsections (a) and (b) of Section 145 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made with respect to a person who is a director or officer at the time of such determination (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 145(e) of the DGCL provides that expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized in Section 145. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

Section 145(f) of the DGCL provides that the indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 145(g) of the DGCL provides that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person

in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of Section 145.

Section 145(j) of the DGCL provides that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

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CERTIFICATE OF INCORPORATION

The Certificate of Incorporation provides that a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided for in Section 174 of the DGCL. If the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Company, in addition to the limitation on personal liability described above, shall be limited to the fullest extent permitted by the amended DGCL. Further, any repeal or modification of such provision of the Certificate of Incorporation by the stockholders of the Company shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Company existing at the time of such repeal or modification.

BYLAWS

The Bylaws of the Company provide that the Company will indemnify and hold harmless any director or officer of the Company to the fullest extent permitted by applicable law, as in effect as of the date of the adoption of the Bylaws or to such greater extent as applicable law may thereafter permit, from and against all losses, liabilities, claims, damages, judgments, penalties, fines, amounts paid in settlement and expenses (including attorneys' fees) whatsoever arising out of any event or occurrence related to the fact that such person is or was a director or officer of the Company and further provide that the Company may, but is not required to, indemnify and hold harmless any employee or agent of the Company or a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise who is or was serving in such capacity at the written request of the Company; provided, however, that the Company is only required to indemnify persons serving as directors, officers, employees or agents of the Company for the expenses incurred in a proceeding if such person has met the standards of conduct that make it permissible under the laws of the State of Delaware for the Company to indemnify the claimant for the amount claimed, but the burden of proving such defense will be on the Company. The Bylaws further provide that, in the event of any threatened, or pending action, suit or proceeding in which any of the persons referred to above is a party or is involved and that may give rise to a right of indemnification under the Bylaws, following written request by such person, the Company will promptly pay to such person amounts to cover expenses reasonably incurred by such person in such proceeding in advance of its final disposition upon the receipt by the Company of (i) a written undertaking executed by or on behalf of such person providing that such person will repay the advance if it is ultimately determined that such person is not entitled to be indemnified by the Company as provided in the Bylaws and (ii) satisfactory evidence as to the amount of such expenses.

INSURANCE

The Company maintains liability insurance for the benefit of its directors and officers.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

<TABLE> <CAPTION> Number		Description
- -----		-----
<C>		<S>
2.1	--	Amended and Restated Agreement and Plan of Organization dated as of December 11, 1997 by and among Quanta Services, Inc. and PAR Electrical Contractors, Inc. and its stockholders**

</TABLE>

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<TABLE>

<CAPTION>

<C>	<S>
2.2	-- Amended and Restated Agreement and Plan of Organization dated as of December 11, 1997 by and among Quanta Services, Inc. and Union Power Construction Company and its stockholders**
2.3	-- Amended and Restated Agreement and Plan of Organization dated as of December 11, 1997 by and among Quanta Services, Inc. and TRANS TECH Electric, Inc. and its stockholders**
2.4	-- Amended and Restated Agreement and Plan of Organization dated as of December 11, 1997 by and among Quanta Services, Inc. and Potelco, Inc. and its stockholders**
3.1	-- Amended and Restated Certificate of Incorporation**
3.2	-- Amended and Restated Bylaws**
3.3	-- Certificate of Amendment to the Amended and Restated Certificate of Incorporation*
3.4	-- Certificate of Designation, Rights, and Limitations of the Series A Convertible Preferred Stock of Quanta Services, Inc.#
4.1	-- Form of Common Stock Certificates**
5.1	-- Opinion of Brad Eastman#
10.1	-- Form of Employment Agreement**
10.2	-- 1997 Stock Option Plan**
10.3	-- Acquisition Agreement and Plan of Reorganization dated as of May 5, 1998, by and among Quanta Services, Inc., Spalj Acquisition, Inc. and Spalj Construction Company and its stockholders***
10.4	-- Acquisition Agreement and Plan of Reorganization dated as of August 4, 1998, by and among Quanta Services, Inc., Underground Construction Co., Inc., Five Points Construction Company and their stockholders+
10.5	-- Third Amended and Restated Secured Credit Agreement dated as of June 14, 1999 among Quanta Services, Inc. as Borrower and the financial institutions parties thereto, as Lenders*
10.6	-- Securities Purchase Agreement among Quanta Services, Inc. and Enron Capital & Trade Resources Corp. ("Enron Capital") and Joint Energy Development Investments II Limited Partnership ("JEDI") dated as of September 29, 1998***
10.7	-- Registration Rights Agreement dated as of September 29, 1998 by and among Quanta Services, Inc., JEDI and Enron Capital***
10.8	-- Form of Convertible Promissory Note issued to Enron Capital and JEDI***
10.9	-- Acquisition Agreement and Plan of Reorganization dated February 12, 1999, by and among Quanta Services, Inc., Quanta I Acquisition, Inc., The Ryan Company, Inc., John P. Ryan, John P. Ryan 1998 Retained Annuity Trust, Kathleen M. Ryan and Leo S. McNamara, Trustees, David C. Varisco, Varisco Family Irrevocable Trust of 1998, John P. Ryan, Trustee, and David C. Varisco 1998 Retained Annuity Trust, John P. Ryan and Mary L. Varisco, Trustee+++

</TABLE>

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<TABLE>

<CAPTION>

<C>	<S>
10.10	-- Acquisition Agreement and Plan of Reorganization dated February 16, 1999, by and among Quanta Services, Inc., Quanta II Acquisition, Inc., Northern Line Layers, Inc., Donald G. Bottrell, Teresa L. Bottrell, James R. Bennett and Marine M. Bennett+++
10.11	-- Quanta Services, Inc. Management Incentive Bonus Plan for Fiscal Year Ending December 31, 1999++++
10.12	-- Securities Purchase Agreement between Quanta Services, Inc. and UtiliCorp United Inc. dated as of September 21, 1999#
10.13	-- Investor's Rights Agreement by and between Quanta Services, Inc. and UtiliCorp United Inc. dated September 21, 1999#
10.14	-- Management Services Agreement by and between Quanta Services, Inc. and UtiliCorp United Inc.#
10.15	-- Letter Agreement by and between Quanta Services, Inc. and UtiliCorp United Inc. dated September 21, 1999#
10.16	-- Strategic Alliance Agreement by and between Quanta Services, Inc. and UtiliCorp United Inc. dated as of September 21, 1999#
10.17	-- Form of Stockholders Voting Agreement#
10.18	-- First Amendment to Third Amended and Restated Secured Credit Agreement#
10.19	-- Letter Agreement by and among ECT Merchant Investments Corp., Joint Energy Development Investments II Limited Partnership, Quanta Services, Inc. and UtiliCorp United Inc. dated September 21, 1999#
10.20	-- First Amendment to Securities Purchase Agreement and Registration Rights Agreement#
10.21	-- Acquisition Agreement and Plan of Reorganization dated August 13, 1999, by and among Quanta Services, Inc., Quanta XXIV Acquisition, Inc., Crown Fiber Communications, Inc. and Billy R. Jones.
21.1	-- Subsidiaries#
23.1	-- Consent of Arthur Andersen LLP#
23.2	-- Consent of Brad Eastman (contained in Exhibit 5.1)#
23.3	-- Consent of Arthur Andersen LLP#
23.4	-- Consent of S. J. Gallina & Co., LLP#
23.5	-- Consent of Jerry T. Paul, CPA#
23.6	-- Consent of McGladrey & Pullen, LLP#
23.7	-- Consent of Paul B. Leathers, Inc.#
23.8	-- Consent of Babush, Neiman, Kornman & Johnson, LLP#
23.9	-- Consent of McDaniel & Associates, P.C.#
23.10	-- Consent of J. H. Cohn LLP#
23.11	-- Consent of Kirkland Albrecht and Company#
23.12	-- Consent of Joseph Decosimo and Company, LLP#

23.13 -- Consent of Nathan Wechsler & Company#
23.14 -- Consent of Ganim, Meder, Childers & Hoering, P.C.#
24.1 -- Power of Attorney (included on the signature page)#
</TABLE>

* Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (No. 333-81419).

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** Previously filed as an exhibit to the Company's Registration Statement on Form S-1 (No. 333-42957) and incorporated herein by reference.
*** Previously filed as an exhibit to the Company's Registration Statement on Form S-4 (No. 333-47083) and incorporated herein by reference.
+ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1998 and incorporated herein by reference.
++ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998 and incorporated herein by reference.
+++ Previously filed as an exhibit to the Company's Report on Form 8-K filed February 26, 1999 and incorporated herein by reference.
++++ Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1999 and incorporated herein by reference.

Filed with the Company's Registration Statement on November 15, 1999.

(b) Financial Statement Schedules.

All schedules are omitted because they are not applicable or because the required information is contained in the Financial Statements or Notes thereto.

Item 17. Undertakings

The undersigned Registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
- (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

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provided, however, that the undertakings set forth in clauses (i) and (ii) above do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by Quanta Services, Inc. pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any

of the securities being registered which remain unsold at the termination of the offering; and

(4) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(6) The undersigned Registrant hereby undertakes that:

- (i) For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.
- (ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such new securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act, Quanta Services, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on December 22, 1999.

Quanta Services, Inc.

By: /s/ John R. Colson

John R. Colson, Chief Executive Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act, as amended, this Registration Statement has been signed by the following persons in the capacities indicated and on December 22, 1999.

<TABLE>
<CAPTION>

SIGNATURE

TITLE

<S>	<C>
/s/ John R. Colson	Chief Executive Officer, Director
- -----	(Principal Executive Officer)
John R. Colson	
*	Vice President and Controller
- -----	(Principal Accounting Officer)
Derrick A. Jensen	

<div> <div>*</div> <div>Director</div> </div>	
<div> <div>Vincent D. Foster</div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>John R. Wilson</div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>John A. Martell</div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>Gary A. Tucci</div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>James R. Ball</div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>Rodney R. Proto</div> </div>	

<div> <div><TABLE></div> <div><CAPTION></div> <div><S></div> <div><C></div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>Michael T. Willis</div> </div>	
<div> <div>Director</div> </div>	
<div> <div>Robert K. Green</div> </div>	
<div> <div>*</div> <div>Director</div> </div>	
<div> <div>James G. Miller</div> </div>	
<div> <div>* /s/ John R. Colson</div> </div>	
<div> <div>John R. Colson</div> <div>Attorney-in-fact</div> </div>	

ACQUISITION AGREEMENT AND PLAN OF REORGANIZATION

BY AND AMONG

QUANTA SERVICES, INC.,
QUANTA XXIV ACQUISITION, INC.,
CROWN FIBER COMMUNICATIONS, INC.,
AND
BILLY R. JONES

DATED AS OF AUGUST 13, 1999

ACQUISITION AGREEMENT AND PLAN OR REORGANIZATION

THIS ACQUISITION AGREEMENT AND PLAN OF REORGANIZATION (this "Agreement") is made as of August 13, 1999, by and among Quanta Services, Inc., a Delaware corporation ("Quanta"), Quanta XXIV Acquisition, Inc., a Delaware corporation that is a subsidiary of Quanta ("Newco"), Crown Fiber Communications, Inc., a Virginia corporation (the "Company"), and Billy R. Jones (the "Stockholder"), with the Stockholder being the Company's only stockholder.

WHEREAS, the respective Boards of Directors of Newco and the Company (collectively referred to as "Constituent Corporations") deem it advisable and in the best interests of the Constituent Corporations and their respective stockholders that Newco merge with and into the Company (the "Merger"); and

WHEREAS, the Boards of Directors of the Constituent Corporations have approved and adopted this Agreement as a plan of reorganization within the provisions of Section 368 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the stockholders of the Constituent Corporations have approved the Merger in accordance with the GCL and the VBCA;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, representations, warranties, provisions and covenants contained herein, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

1.1. DEFINITIONS. Capitalized terms used in this Agreement shall have the following meanings:

"Affiliate" of, or "Affiliated" with, a specified person or entity means a person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the specified person or entity.

"Agreement" has the meaning set forth in the first paragraph of this Agreement.

"Balance Sheet Date" has the meaning set forth in Section 5.5.

"Closing" has the meaning set forth in ARTICLE IV.

"Closing Date" has the meaning set forth in ARTICLE IV.

"Code" has the meaning set forth in the third paragraph of this Agreement.

"Company" has the meaning set forth in the first paragraph of this Agreement.

"Company Common Stock" means the Company's Common-A Stock, \$1.00 par value per share.

"Competitive Business" means any business that competes with the Company or the Surviving Corporation, including, without limitation, any business that provides specialty electrical contracting services to the electric utility, telecommunications or transportation industries.

"Constituent Corporations" has the meaning set forth in the second paragraph of this Agreement.

"Effective Time" has the meaning set forth in Section 2.2.

"Encumbrances" means all liens, encumbrances, mortgages, pledges, security interests, conditional sales agreements, charges, options, preemptive rights, rights of first refusal, reservations, restrictions or other encumbrances or defects in title.

"Employee benefit plan" has the meaning set forth in Section 5.16.

"Employee pension benefit plan" has the meaning set forth in Section 5.16.

"Employment Agreements" has the meaning set forth in Section 7.5.

"Environmental, Health and Safety Laws" means any federal, state or local Law now or hereafter in effect, including, without limitation, any judicial or administrative interpretation thereof, any judicial or administrative order, consent decree or judgment, or agreement with any Governmental Authority, relating to (a) pollution, exposure to oil, pollutants, contaminants, hazardous or toxic materials or waste, (b) the protection, preservation or restoration of the environment, including laws relating to exposures to, or emissions, discharges, releases or threatened releases of oil, pollutants, contaminants, hazardous or toxic materials or wastes into ambient air, surface water, ground water or land surface or subsurface strata or (c) the manufacture, processing, labeling, distribution, use, treatment, storage, transport, handling or disposal of oil, pollutants, contaminants, hazardous or toxic materials or wastes or relating to the environment, plant and animal life, natural resources or health, safety or any Hazardous Substance. "Environmental, Health and Safety Laws" include, without limitation, (i) the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), 42 U.S.C. (SS) 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. (SS) 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. (SS) 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. (SS) 2601 et seq., the Clean Air Act, 42 U.S.C. (SS) 7401 et seq., the Safe Drinking Water Act, 42 U.S.C. (SS) 300f et seq., the Hazardous Materials Transportation Act, 49 U.S.C. (SS) 5101 et seq., the Atomic Energy Act, 42 U.S.C. (SS) 2011 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. (SS) 136 et seq., and the Occupational Safety and Health Act, 29 U.S.C. (SS) 651 et seq., in each case as amended from time to time, and any other federal, state or local Laws now or hereafter relating to any of the foregoing, and (ii) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass and strict

liability) that may impose liability or obligations for injuries or damages due to, or threatened as a result of, the presence of, effects of or exposure to any Hazardous Substance.

"ERISA" has the meaning set forth in Section 5.16.

"ERISA Affiliate" has the meaning set forth in Section 5.16.

"Expiration Date" has the meaning set forth in Section 13.6.

"Financial Statements" has the meaning set forth in Section 5.5.

"GAAP" means the generally accepted accounting principles as currently applied by the respective party on a basis consistent with preceding years and throughout the periods involved.

"GCL" means the General Corporation Law of the State of Delaware, as amended.

"Governmental Authority" means any federal, state, local or foreign government, political subdivision or governmental or regulatory authority, agency, board, bureau, commission, instrumentality or court or quasi-governmental authority.

"Hazardous Substances" means any substance presently listed, defined, designated or classified as hazardous, toxic, radioactive or dangerous, or otherwise regulated, under any Environmental, Health and Safety Law. The term "Hazardous Substances" includes, without limitation, any substance to which exposure is regulated by any Governmental Authority or any Environmental, Health and Safety Law including, without limitation, any toxic waste, pollutant, contaminant, hazardous substance, toxic substance, hazardous waste, special waste, industrial substance or petroleum or any derivative or by-product thereof, radon, radioactive material, asbestos or asbestos containing material, urea formaldehyde foam insulation, lead or polychlorinated biphenyls.

"Indemnified Party" has the meaning set forth in Section 8.3.

"Indemnifying Party" has the meaning set forth in Section 8.3.

"Initial Lockup Period" has the meaning set forth in Section 12.4.

"Interim Balance Sheet" has the meaning set forth in Section 5.5.

"Interim Financial Statements" has the meaning set forth in Section 5.5.

"JAMS" has the meaning set forth in Section 13.10.

"Judge List" has the meaning set forth in Section 13.10.

"Knowledge" means actual knowledge. Knowledge of the Company shall mean the Knowledge of the Stockholder and the officers of the Company.

"Law" or "Laws" means any and all federal, state, local or foreign statutes, laws, ordinances, proclamations, codes, regulations, licenses, permits, authorizations, approvals, consents, legal doctrines, published requirements, orders, decrees, judgments, injunctions and rules of any Governmental Authority, including, without limitation, those covering environmental, Tax, energy, safety, health, transportation, bribery, recordkeeping, zoning, discrimination, antitrust and wage and hour matters, in each case as amended and in effect from time to time.

"Lease" has the meaning set forth in Section 7.8.

"Letter of Intent" means that certain letter of intent dated May 25, 1999 by and among Quanta, the Company and the Stockholders, as amended or supplemented.

"Lockup Periods" has the meaning set forth in Section 12.4.

"Loss" or "Losses" means all liabilities, losses, claims, damages, actions, suits, proceedings, demands, assessments, adjustments, fees, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and costs and expenses of investigation), net of income Tax effects with respect thereto (including, without limitation, income Tax benefits recognized in connection therewith and income Taxes upon any indemnification recovery thereof), provided, however, that for purposes of calculating Losses as a result of a breach of the representations and warranties contained in Section 5.27 only, "Losses" shall not include any consequential or incidental damages.

"Material Customers" has the meaning set forth in Section 5.9.

"Merger" has the meaning set forth in the second paragraph of this Agreement.

"Merger Consideration" has the meaning set forth in Section 3.1.

"Merger Filings" has the meaning set forth in Section 2.2.

"Newco" has the meaning set forth in the first paragraph of this Agreement.

"Noncompete Term" has the meaning set forth in Section 9.1(a).

"1933 Act" means the Securities Act of 1933, as amended.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"Permits" has the meaning set forth in Section 5.10.

"Permitted Encumbrances" means (a) any Encumbrances reserved against in the Interim Balance Sheets, (b) Encumbrances for property or ad valorem Taxes not yet due and payable or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the Company's books in accordance with GAAP, and (c) obligations under operating and capital leases described in Schedule 5.9.

"Plan" has the meaning set forth in Section 5.16.

"Potential Material Event" means any of the following: (a) the possession by Quanta of material non-public information required to be disclosed in the registration statement and the determination in good faith by the Board of Directors of Quanta that disclosure of such information in the registration statement at that time would be detrimental to the business and affairs of Quanta; or (b) any material engagement or activity by Quanta which would in the good faith determination of the Board of Directors of Quanta, if disclosed in the registration statement at such time, be materially and adversely affected, which determination shall be accompanied by a good faith determination by the Board of Directors of Quanta that the registration statement would be materially misleading absent the inclusion of such information.

"Qualified Plans" has the meaning set forth in Section 5.16.

"Quanta" has the meaning set forth in the first paragraph of this Agreement.

"Quanta Common Stock" means Quanta's Common Stock, par value \$.00001 per share.

"Registrable Stock" means (a) the Quanta Common Stock received by Stockholder in connection with the Merger and (b) any securities issued or issuable with respect to such shares of Quanta Common Stock by way of a stock dividend or stock split or in connection with a combination or reclassification of shares, recapitalization, merger, consolidation or otherwise.

"Restricted Shares" has the meaning set forth in Section 12.1.

"Rule 144" means Rule 144 as promulgated under the 1933 Act.

"SEC" means the Securities and Exchange Commission.

"Secondary Lockup Period" has the meaning set forth in Section 12.4.

"Stockholder" has the meaning set forth in the first paragraph of this Agreement.

"Surviving Corporation" has the meaning set forth in Section 2.1.

"Territory" has the meaning set forth in Section 9.1.

"Third Person" has the meaning set forth in Section 8.3.

"VBCA" means the Virginia Business Corporation Act, as amended.

"Year-End Financial Statements" has the meaning set forth in Section 5.5.

"Year 2000 Compliant" has the meaning set forth in Section 5.27.

1.2. INTERPRETATION. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in Section 1.1 and elsewhere in this Agreement include the plural as well as the singular;

(b) all accounting terms not otherwise defined herein have the meanings ascribed to them in accordance with GAAP; and

(c) the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

ARTICLE II THE MERGER AND THE SURVIVING CORPORATION

2.1. THE MERGER. Upon the terms and subject to the conditions of this Agreement, at the Effective Time in accordance with the VBCA and GCL, Newco shall be merged with and into the Company and the separate existence of Newco shall thereupon cease. The Company shall be the surviving corporation in the Merger (hereinafter sometimes referred to as the "Surviving Corporation").

2.2. EFFECTIVE TIME OF THE MERGER. The Merger shall become effective at 12:01 a.m. on August 14, 1999 (the "Effective Time") as set forth in certificates or articles of merger, as appropriate, in form mutually acceptable to Quanta and the Company, and filed with the Secretary of State of the States of Delaware and Virginia (the "Merger Filings"). The Merger Filings shall be made simultaneously with or as soon as practicable after the execution of this Agreement and the Closing.

2.3 CERTIFICATE OF INCORPORATION, BYLAWS AND BOARD OF DIRECTORS OF SURVIVING CORPORATION. As a result of the Merger and at the Effective Time:

(a) The Certificate of Incorporation of the Company in effect immediately prior to the Effective Time shall become the Certificate of Incorporation of the Surviving Corporation. After the Effective Time, the Certificate of Incorporation of the Surviving Corporation may be amended in accordance with its terms and as provided in the VBCA.

(b) The Bylaws of Newco in effect immediately prior to the Effective Time shall become the Bylaws of the Surviving Corporation, and thereafter may be amended in accordance with their terms and as provided by the Certificate of Incorporation of the Surviving Corporation and the VBCA.

(c) The Board of Directors of Newco as constituted immediately prior to the Effective Time shall be the Board of Directors of the Surviving Corporation.

ARTICLE III CONVERSION OF SHARES

3.1. CONVERSION OF SHARES. At the Effective Time, by virtue of the

Merger, and without any action on the part of any holder of any capital stock of the Company, the issued and outstanding shares of the Company Common Stock as of the Effective Time shall be converted into the right to receive, and become exchangeable for 2,034,849 shares of Quanta Common Stock at Closing (the Quanta Common Stock paid in exchange for the Company Common Stock being herein collectively referred to as the "Merger Consideration").

3.2. NEWCO SHARES. The outstanding shares of common stock, \$0.01 par value per share, of Newco shall be converted into the right to receive, and become exchangeable for 1,000 shares of Company Common Stock.

3.3. DELIVERY OF MERGER CONSIDERATION. At the Closing, (a) the Stockholder shall furnish to Quanta the certificates representing his Company Common Stock, duly endorsed in blank by such Stockholder or accompanied by duly executed blank stock powers, and (b) Quanta shall deliver to the Stockholder cash (by wire transfer in accordance with the wiring instructions for the Stockholder set forth on Schedule 3.3) and a copy of an irrevocable instruction letter to Quanta's transfer agent directing that certificates representing the shares of Quanta Common Stock be delivered to the Stockholder pursuant to Section 3.1. The Stockholder agrees promptly to cure any deficiencies with respect to the endorsement of the certificates or other documents of conveyance with respect to the Company Common Stock or with respect to the stock powers accompanying such stock.

ARTICLE IV CLOSING

4.1 CLOSING. The consummation of the Merger and delivery of the Merger Consideration and the other transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Quanta, 1360 Post Oak Blvd., Suite 2100, Houston, Texas, concurrently with the execution of this Agreement or at such other time and date as Quanta, the Company and the Stockholders may mutually agree, which date is herein referred to as the "Closing Date."

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDER

The Stockholder represents and warrants to Quanta as follows:

5.1 DUE ORGANIZATION AND QUALIFICATION. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Virginia and is duly authorized and qualified to do business under all applicable Laws and to carry on its business in the places and in the manner as now conducted. The Company has the requisite power and authority to own, lease and operate its assets and properties and to carry on its business as such business is currently being conducted. Schedule 5.1 includes (a) certificate(s) of existence and good standing for the Company issued by the appropriate Governmental Authorities of the State of Virginia and (b) certificate(s) of qualification or authority to do business (or similar certificates) for the Company issued by the appropriate Governmental Authorities of each of the jurisdictions in which the Company is authorized or qualified to do business. Each such certificate is dated within twenty days of the Closing Date. True, complete and correct copies of the Articles of Incorporation and Bylaws, each as amended, of the Company are attached hereto as Schedule 5.1. Correct and complete copies of all stock records and minute books of the Company have been provided to Quanta and are correct and complete in all material respects.

5.2. AUTHORIZATION; NON-CONTRAVENTION; APPROVALS.

(a) The Company has the requisite power and authority to enter into this Agreement and to effect the Merger. Each Stockholder has the full legal right, power and authority to enter into this Agreement. The execution, delivery and performance of this Agreement have been approved by the board of directors of the Company and by the Stockholder. No additional corporate proceedings on the part of the Company is necessary to authorize the execution and delivery of this Agreement and the consummation by the Company of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and the Stockholder, and, assuming the due authorization, execution and delivery hereof by Quanta and Newco, constitutes a valid and binding agreement of the Company and the Stockholder, enforceable against each of them in accordance with its terms.

(b) The execution and delivery of this Agreement by the Company and the Stockholder do not, and the consummation by the Company and the Stockholder of the transactions contemplated hereby will not, violate or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of the Company under any of the terms, conditions or provisions of, (i) the Articles of Incorporation or Bylaws of the Company, (ii) any Laws applicable to the Stockholder or the Company or

any of the properties or assets of the Stockholder or the Company, or (iii) except as set forth in Schedule 5.2, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, lease or

other instrument, obligation or agreement of any kind to which the Stockholder or the Company is now a party or by which the Company or any of its properties or assets may be bound or affected.

(c) Except for the Merger Filings and as set forth in Schedule 5.2, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority or third party is necessary for the execution and delivery of this Agreement by the Company and the Stockholder or the consummation by the Company and the Stockholder of the transactions contemplated hereby. Except as set forth in Schedule 5.2, none of the contracts or agreements with Material Customers or contracts providing for purchases or services individually in excess of \$25,000, or in the aggregate in excess of \$50,000, or other material agreements, licenses or permits to which the Company is a party requires notice to, or the consent or approval of, any third party for the execution and delivery of this Agreement by the Company or the Stockholder and the consummation of the transactions contemplated hereby.

5.3 CAPITALIZATION AND OWNERSHIP. The authorized capital stock of the Company consists solely of 1,000 shares of Company Common Stock, of which 100 shares are issued and outstanding. All of the issued and outstanding shares of the Company Common Stock are owned beneficially and of record by the Stockholder. All of the issued and outstanding shares of the Company Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, and were offered, issued, sold and delivered by the Company in compliance with all applicable Laws, including, without limitation, those Laws concerning the issuance of securities. None of such shares were issued in violation of the preemptive rights of any past or present stockholder. At the Effective Time, by virtue of the Merger Filing in Virginia the Merger will become effective in Virginia. Except as set forth in Schedule 5.3, no subscription, option, warrant, call, convertible or exchangeable security, other conversion right or commitment of any kind exists which obligates the Company to issue any of its capital stock or the Stockholder to transfer any of the capital stock of the Company.

5.4 SUBSIDIARIES. Except as set forth in Schedule 5.4, the Company owns, of record or beneficially, or controls, directly or indirectly, no capital stock, securities convertible into or exchangeable for capital stock or any other equity interest in any corporation, association or other business entity. Except as set forth in Schedule 5.4, the Company is not, directly or indirectly, a participant in any joint venture, limited liability company, partnership or other noncorporate entity.

5.5 FINANCIAL STATEMENTS.

(a) The Company has delivered to Quanta complete and correct copies of the following financial statements:

- (i) the reviewed balance sheets of the Company as of December 3, 1996, 1997 and 1998 and the related reviewed statements of operations, stockholder's equity and cash flows for the three-year period ended December 31, 1998, together with the related notes, schedules and report of the Company's independent accountants (such balance sheets and the related income

statements and the related notes and schedules of the Company are referred to herein as the "Year-End Financial Statements");

- (ii) the unaudited balance sheet (the "Interim Balance Sheet") of the Company as of June 30, 1999 (the "Balance Sheet Date") and the related unaudited statements of operations for the interim period ended on the Balance Sheet Date, together with the related notes and schedules (such balance sheets, the related statements of operations and the related notes and schedules are referred to herein as the "Interim Financial Statements"). The Year-End Financial Statements and the Interim Financial Statements (collectively, the "Financial Statements") are attached as Schedule 5.5 to this Agreement;

(b) Except as set forth in Schedule 5.5, the Financial Statements have been prepared from the books and records of the Company in conformity with GAAP (except for the absence of notes in the Interim Financial Statements) and present fairly the financial position and results of operations of the Company as of the dates of such statements and for the periods covered thereby. The books of account of the Company have been kept accurately in all material respects in the ordinary course of business, the transactions entered therein represent bona fide transactions, and the revenues, expenses, assets and liabilities of the Company have been properly recorded

therein in all material respects.

5.6 LIABILITIES AND OBLIGATIONS. Except as set forth in Schedule 5.6, as of the Balance Sheet Date the Company does not have, nor has it incurred since that date, any liabilities or obligations (whether absolute, accrued, contingent or otherwise) of any nature, except (a) liabilities, obligations or contingencies (i) that are accrued or reserved against in the Financial Statements or reflected in the notes thereto or (ii) that were incurred after the Balance Sheet Date and were incurred in the ordinary course of business, consistent with past practices, and (b) liabilities and obligations that are of a nature not required to be reflected in the Financial Statements prepared in accordance with GAAP and that were incurred in the normal course of business and are described in Schedule 5.6. Schedule 5.6 contains a reasonable estimate by the Company and the Stockholder of the maximum amount that may be payable with respect to liabilities which are not fixed. For each such liability for which the amount is not fixed or is contested, the Company has provided a summary description of the liability together with copies of all relevant documentation relating thereto. Schedule 5.6 sets forth the Company's outstanding principal amount of indebtedness for borrowed money (including overdrafts) as of the date hereof.

5.7 ACCOUNTS AND NOTES RECEIVABLE. Schedule 5.7 sets forth an accurate list of the accounts and notes receivable of the Company as of the Balance Sheet Date and of those invoiced between the Balance Sheet Date and the second business day preceding the Closing Date, including any such amounts which are not reflected in the Interim Balance Sheet. Receivables from and advances to employees, the Stockholder and any entities or persons related to or Affiliates of the Stockholder are separately identified in Schedule 5.7. Schedule 5.7 also sets forth an accurate aging of all accounts and notes receivable as of the Balance Sheet Date, showing amounts due in 30-day aging categories. The trade and other accounts receivable of the Company, including without limitation those classified as current assets on the Interim

Balance Sheet, are bona fide receivables, were acquired in the ordinary course of business, are stated in accordance with GAAP and are collectible in the amounts shown on Schedule 5.7, net of reserves reflected in the Interim Financial Statements with respect to the accounts receivable as of the Balance Sheet Date, and net of reserves reflected in the books and records of the Company (consistent with the methods used in the Interim Financial Statements) with respect to receivables of the Company after the Balance Sheet Date.

5.8 ASSETS.

(a) Schedule 5.8 sets forth an accurate list of all real and personal property included in "property and equipment" on the Interim Balance Sheets and all other tangible assets of the Company each with a book value in excess of \$10,000 (i) owned by the Company as of the Balance Sheet Date and (ii) acquired since the Balance Sheet Date, including in each case true, complete and correct copies of leases for significant equipment and for all real property leased by the Company and descriptions of all real property on which buildings, warehouses, workshops, garages and other structures used in the operation of the business of the Company are situated. Schedule 5.8 indicates which assets used in the operation of the businesses of the Company are currently owned by the Stockholder or Affiliates of either of the Company or the Stockholder. Except as specifically identified in Schedule 5.8, all of the tangible assets, vehicles and other significant machinery and equipment of the Company listed in Schedule 5.8 are in working order and condition, ordinary wear and tear excepted. Except as specifically described in Schedule 5.8, all fixed assets used by the Company in its business are either owned by the Company or leased under agreements identified in Schedule 5.8. All leases set forth in Schedule 5.8 are in full force and effect and constitute valid and binding agreements of the Company that is a party thereto, and to the knowledge of the Company and the Stockholder, the other parties thereto in accordance with their respective terms. Schedule 5.8 contains true, complete and correct copies of all title reports and title insurance policies received or owned by the Company. Schedule 5.8 includes a summary description of all contractual commitments of the Company involving the opening of new operations, expansion of existing operations or the acquisition of any real property or existing business, to which management of the Company has devoted any significant effort or expenditure in the two-year period prior to the date of the Agreement, and which (i) are currently being implemented by the Company, or (ii) involve purchases of capital equipment in connection with existing operations in amounts in excess of \$10,000, individually, or \$25,000 in the aggregate.

(b) The Company has good and indefeasible title to the tangible and intangible personal property and the real property owned and used in its business, including the properties identified in Schedule 5.8 as owned real property, free and clear of all Encumbrances other than Permitted Encumbrances and those set forth in Schedule 5.8.

(c) Except as specifically described in Schedule 5.8, the tangible and intangible assets of the Company include all the assets used in the operation of the business of the Company as conducted at the Balance Sheet

Date, except for dispositions of such assets since such date in the ordinary course of business, consistent with past practices.

5.9 MATERIAL CUSTOMERS AND CONTRACTS.

(a) Schedule 5.9 sets forth an accurate list of (i) all customers representing 5% or more of the Company's revenues for the fiscal year ended in 1998 or the interim period ended on the Balance Sheet Date (the "Material Customers"), and (ii) all material executory contracts, warranties, commitments and similar agreements to which the Company is currently a party or by which it or any of its properties is bound, including, but not limited to, (A) all customer contracts in excess of \$10,000, individually, or \$25,000 in the aggregate, including, without limitation, consignment contracts, (B) contracts with any labor organizations, (C) leases providing for annual rental payments in excess of \$5,000, individually, or \$10,000 in the aggregate, (D) loan agreements, (E) pledge and security agreements, (F) indemnity or guaranty agreements or obligations, (G) bonds, (H) notes, (I) mortgages, (J) joint venture or partnership agreements, (K) options to purchase real or personal property, and (L) agreements relating to the purchase or sale by the Company of assets (other than oral agreements relating to sales of inventory or services in the ordinary course of business, consistent with past practices) or securities for more than \$5,000, individually, or \$10,000 in the aggregate. Prior to the date hereof, the Company has made available to Quanta complete and correct copies of all such agreements. To the extent applicable, the contracts and agreements set forth in Schedule 5.9 are separately identified as lump sum, unit price, cost plus or maintenance agreements.

(b) Except to the extent set forth in Schedule 5.9, since December 31, 1998 (i) no Material Customer has canceled or substantially reduced or, to the knowledge of the Company and the Stockholder, is threatening to cancel or substantially reduce its purchases of the Company's products or services, and (ii) the Company is in compliance with all material commitments and obligations pertaining to it under such agreements and is not in default under any of the agreements described in subsection (a), no notice of default has been received by the Company, and the Stockholder and the Company are aware of no basis therefor.

(c) Except to the extent set forth in Schedule 5.9, the Company is not a party to any governmental contracts subject to price redetermination or renegotiation. Except to the extent set forth in Schedule 5.9, the Company is not required to provide any bonding or other financial security arrangements in any material amount in connection with any transactions with any of its customers or suppliers.

(d) Schedule 5.9 sets forth a summary of each outstanding bid or proposal by the Company that, if awarded to the Company, contemplates payments to the Company in excess of \$25,000 and that is subject to acceptance or award by a third party.

(e) Schedule 5.9 sets forth a summary of the Company's material open jobs and a job cost schedule supporting the Interim Balance Sheet, which Schedule 5.9 includes the Company's good faith estimate of each such job's profit or loss as of the Balance Sheet Date and the Closing Date.

5.10 PERMITS. Schedule 5.10 contains an accurate list of all material licenses, franchises, permits,

transportation authorities and other governmental authorizations and intangible assets held by the Company, including, without limitation, permits, licenses and operating authorizations, titles (including motor vehicle titles and current registrations), fuel permits, franchises, certificates, trademarks, trade names, patents, patent applications and copyrights owned or held by the Company (the "Permits"). The Permits are valid, and the Company has not received any written notice that any Governmental Authority intends to cancel, terminate or not renew any such license, operating authorization, franchise, permit or other governmental authorization. The Permits are all the permits that are required by Law for the operation of the businesses of the Company as conducted at the Balance Sheet Date and the ownership of the assets of the Company. The Company has conducted and is conducting its business in substantial compliance with the requirements, standards, criteria and conditions set forth in the Permits, as well as the applicable orders, approvals and variances related thereto, and is not in violation of any of the foregoing. Except as specifically provided in Schedule 5.10, the transactions contemplated by this Agreement will not result in a default under or a breach or violation of, or adversely affect the rights and benefits afforded to the Company by, any Permits.

5.11 ENVIRONMENTAL MATTERS.

Except as set forth in Schedule 5.11, (a) the Company has complied with and is in compliance, in all material respects, with all Environmental, Health and Safety Laws, including, without limitation, Environmental, Health and Safety Laws relating to air, water, land and the generation, storage, use, handling, transportation, treatment or disposal of Hazardous Substances; (b) the Company has obtained and complied, in all material respects, with all necessary permits and other approvals necessary to treat,

transport, store, dispose of and otherwise handle Hazardous Substances and has reported, to the extent required by all Environmental, Health and Safety Laws, all past and present sites owned or operated by the Company where Hazardous Substances have been treated, stored, disposed of or otherwise handled; (c) there have been no "releases" or threats of "releases" (as defined in any Environmental, Health and Safety Laws) at, from, in or on any property owned or operated by the Company; (d) there is no on-site or off-site location to which the Company has transported or disposed of Hazardous Substances or arranged for the transportation or disposal of Hazardous Substances which is the subject of any federal, state, local or foreign enforcement action or any other investigation which could lead to any claim against the Surviving Corporation, Quanta or Newco for any clean-up cost, remedial work, damage to natural resources or personal injury, including, but not limited to, any claim under (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (ii) the Resource Conservation and Recovery Act, (iii) the Hazardous Materials Transportation Act, or (iv) comparable state and local statutes and regulations; and (e) the Company has no contingent liability in connection with any release or disposal of any Hazardous Substance into the environment. None of the past or present sites owned or operated by the Company is currently or has ever been designated as a treatment, storage and/or disposal facility, nor has any such facility ever applied for a Permit designating it as a treatment, storage and/or disposal facility, under any Environmental, Health and Safety Law.

5.12 LABOR AND EMPLOYEE RELATIONS. Except as set forth in Schedule 5.12, the Company is not bound by or subject to any arrangement with any labor union. Except as set forth in Schedule 5.12, no employees of the Company are represented by any labor union or covered by any collective bargaining agreement nor, to the Company's or the Stockholder's knowledge, is any campaign to establish such representation in progress. There is no pending or, to the Company's or the Stockholder's knowledge, threatened labor dispute involving the Company and any group of its employees nor has the Company

experienced any significant labor interruptions over the past five years. Neither the Company nor the Stockholder has any knowledge of any significant issues or problems in connection with the relationship of the Company with its employees.

5.13 INSURANCE. Schedule 5.13 sets forth an accurate list as of the Balance Sheet Date of (a) all insurance policies carried by the Company, copies of which are attached as Schedule 5.13, (b) all insurance loss runs or workmen's compensation claims received for the past five policy years, and (c) the following information with respect to all insurance policies previously carried by the Company within the last five years: (i) insurer, (ii) type of policy, (iii) coverage period, and (iv) policy limits and amount of deductible or loss retention. Except as set forth in Schedule 5.13, none of such policies are "claims made" policies. The policies described in Schedule 5.13 for the current policy year are currently in full force and effect. Any open claims as of the Closing Date are recoverable under such policies, except to the extent of any applicable deductible or loss retention as set forth on Schedule 5.13.

5.14 COMPENSATION; EMPLOYMENT AGREEMENTS. Schedule 5.14 sets forth an accurate schedule of all officers, directors and Stockholder employees of the Company with annual salaries of \$50,000 or more, listing the rate of compensation (and the portions thereof attributable to salary, bonus, benefits and other compensation, respectively) of each of such persons as of (a) the Balance Sheet Date and (b) the date hereof. Attached to Schedule 5.14 are true, complete and correct copies of each employment or consulting agreement with any employee of the Company or the Stockholder. The Company is not a party with any officer, director, stockholder, member or employee to any employment agreement or similar arrangement containing "golden parachute" or other similar provisions.

5.15 NONCOMPETITION, CONFIDENTIALITY AND NONSOLICITATION AGREEMENTS. Schedule 5.15 sets forth all agreements containing covenants not to compete or solicit employees or to maintain the confidentiality of information to which the Company is bound or under which the Company has any rights or obligations.

5.16 EMPLOYEE BENEFIT PLANS.

(a) Schedule 5.16 sets forth an accurate schedule of each "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and all nonqualified deferred compensation arrangements, whether formal or informal and whether legally binding or not, under which the Company or an ERISA Affiliate has any current or future obligation or liability or under which any present or former employee of the Company or an ERISA Affiliate, or such present or former employee's dependents or beneficiaries, has any current or future right to benefits (each such plan and arrangement referred to hereinafter as a "Plan"), together with true and complete copies of such Plans, arrangements and any trusts related thereto, and classifications of employees covered thereby as of the Balance Sheet Date. Except as set forth in Schedule 5.16, neither the Company nor any ERISA Affiliate sponsors, maintains or contributes currently, or at any time during the preceding five years, to any plan, program, fund or arrangement that

constitutes an employee pension benefit plan. Each Plan may be terminated by the Company, or if applicable, by an ERISA Affiliate at any time without any liability, cost or expense, other than

costs and expenses that are customary in connection with the termination of a Plan. For purposes of this Agreement, the term "employee pension benefit plan" shall have the meaning given that term in Section 3(2) of ERISA, and the term "ERISA Affiliate" means any corporation or trade or business under common control with a Company as determined under Section 414(b), (c), (m) or (o) of the Code.

(b) Each Plan listed in Schedule 5.16 is in compliance in all material respects with the applicable provisions of ERISA, the Code, and any other applicable Law. Except as set forth in Schedule 5.16, with respect to each Plan of the Company and each ERISA Affiliate (other than a "multiemployer plan," as defined in Section 4001(a)(3) of ERISA), all reports and other documents required under ERISA or other applicable Law to be filed with any Governmental Authority, the failure of which to file could reasonably be expected to result in a material liability to the Company or any ERISA Affiliate, including all Forms 5500, or required to be distributed to participants or beneficiaries, have been duly and timely filed or distributed. True and complete copies of all such reports and other documents with respect to the past five years for each Plan have been provided to Quanta. No "accumulated funding deficiency" (as defined in Section 412(a) of the Code) with respect to any Plan has been incurred (without regard to any waiver granted under Section 412 of the Code), nor has any funding waiver from the Internal Revenue Service been received or requested. Except as set forth in Schedule 5.16, each Plan that is intended to be "qualified" within the meaning of Section 401(a) of the Code (a "Qualified Plan") is, and has been during the period from its adoption to the date hereof, so qualified, both as to form and operation and all necessary approvals of Governmental Authorities, including a favorable determination as to the qualification under the Code of each of such Qualified Plans and each amendment thereto, have been timely obtained. Except as set forth in Schedule 5.16, all accrued contribution obligations of the Company with respect to any Plan have either been fulfilled in their entirety or are fully reflected in the Financial Statements.

(c) No Plan has incurred or will incur, and no Company nor any ERISA Affiliate has incurred or will incur, with respect to any Plan, any liability for excise tax or penalty due to the Internal Revenue Service. There have been no terminations, partial terminations or discontinuances of contributions to any Qualified Plan during the preceding five years without notice to and approval by the Internal Revenue Service and payment of all obligations and liabilities attributable to such Qualified Plan.

(d) Except as set forth in Schedule 5.16, neither the Company nor any ERISA Affiliate has made any promises of retirement or other benefits to employees, except as set forth in the Plans, and neither the Company nor any ERISA Affiliate maintains or has established any Plan that is a "welfare benefit plan" within the meaning of Section 3(1) of ERISA that provides for continuing benefits or coverage for any participant or any beneficiary of a participant after such participant's termination of employment, except as may be required by Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code and similar state Law provisions, and at the expense of the participant or the beneficiary of the participant, or retiree medical liabilities. Neither the Company nor any ERISA Affiliate maintains, has established or has ever participated in a multiple employer welfare benefit arrangement as described in Section 3(40)(A) of ERISA. Except as set forth in

Schedule 5.16, neither the Company nor any ERISA Affiliate has any current or future obligation or liability with respect to a Plan pursuant to the provisions of a collective bargaining agreement.

(e) Neither the Company nor any ERISA Affiliate has incurred any material liability to the Pension Benefit Guaranty Corporation in connection with any Plan. The assets of each Plan that are subject to Title IV of ERISA are sufficient to provide the benefits under such Plan, the payment of which the Pension Benefit Guaranty Corporation would guarantee if such Plan were terminated, and such assets are also sufficient to provide all other "benefits liabilities" (as defined in ERISA Section 4001(a)(16)) due under such Plan upon termination.

(f) No "reportable event" (as defined in Section 4043 of ERISA) has occurred and is continuing with respect to any Plan. There are no pending, or to the Company's and the Stockholder's knowledge, threatened claims, lawsuits or actions (other than routine claims for benefits in the ordinary course) asserted or instituted against, and neither the Company nor any ERISA Affiliate has knowledge of any threatened litigation or claims against, the assets of any Plan or its related trust or against any fiduciary of a Plan with respect to the operation of such Plan. To the Company's and the Stockholder's knowledge, there are no investigations or audits of any Plan by any Governmental Authority currently pending and there have been no such investigations or audits that have been concluded

that resulted in any liability to the Company or any ERISA Affiliate that has not been fully discharged. Neither the Company nor any ERISA Affiliate has participated in any voluntary compliance or closing agreement programs established with respect to the form or operation of a Plan.

(g) Neither the Company nor any ERISA Affiliate has engaged in any prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, in connection with any Plan for which exemption was not available. Except as set forth in Schedule 5.16, neither the Company nor any ERISA Affiliate is, or ever has been, a participant in or is obligated to make any payment to a multiemployer plan. No person or entity that was engaged by the Company or an ERISA Affiliate as an independent contractor within the last five years reasonably can or will be characterized or deemed to be an employee of the Company or an ERISA Affiliate under applicable Laws for any purpose whatsoever, including, without limitation, for purposes of federal, state and local income taxation, workers' compensation and unemployment insurance and Plan eligibility.

5.17 LITIGATION AND COMPLIANCE WITH LAW. Except as set forth in Schedule 5.17, there are no claims, actions, suits or proceedings, pending or, to the knowledge of the Company and the Stockholder, threatened against or affecting the Company, at law or in equity, or before or by any Governmental Authority having jurisdiction over the Company. No written notice of any claim, action, suit or proceeding, whether pending or threatened, has been received by the Company and, to the Stockholder's and the Company's knowledge, there is no basis therefor. Except to the extent set forth in Schedule 5.17, the Company has conducted and is conducting its business in compliance with all Laws applicable to the Company, its assets or the operation of its business.

5.18 TAXES. For purposes of this Agreement, the term "Taxes" shall mean all taxes, charges, fees,

levies or other assessments including, without limitation, income, gross receipts, excise, property, sales, withholding, social security, unemployment, occupation, use, service, service use, license, payroll, franchise, transfer and recording taxes, fees and charges, imposed by the United States or any state, local or foreign government or subdivision or agency thereof, whether computed on a separate, consolidated, unitary, combined or any other basis; and such term shall include any interest, fines, penalties or additional amounts attributable to or imposed with respect to any such taxes, charges, fees, levies or other assessments. The Company has timely filed all requisite federal, state, local and other tax returns for all fiscal periods ended on or before the Closing, and has duly paid in full or made adequate provision in the Financial Statements for the payment of all Taxes for all periods ending at or prior to the Closing Date. The Company has duly withheld and paid or remitted all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder or other person or entity that required withholding under any applicable Law, including, without limitation, any amounts required to be withheld or collected with respect to social security, unemployment compensation, sales or use taxes or workers' compensation. There are no examinations in progress or claims against the Company relating to Taxes for any period or periods prior to and including the Balance Sheet Date and no written notice of any claim for Taxes, whether pending or threatened, has been received. The Company has not granted or been requested to grant any extension of the limitation period applicable to any claim for Taxes or assessments with respect to Taxes. The Company is not a party to any Tax allocation or sharing agreement and is not otherwise liable or obligated to indemnify any person or entity with respect to any Taxes. The amounts shown as accruals for Taxes on the Interim Financial Statements as of the Balance Sheet Date are sufficient for the payment of all Taxes for all fiscal periods ended on or before that date. True and complete copies of (a) any tax examinations, (b) extensions of statutory limitations and (c) the federal, state and local Tax returns of the Company for the last three fiscal years have been previously provided to Quanta. There are no requests for ruling in respect of any Tax pending between the Company and any Taxing authority. The Company has been taxed under the provisions of Subchapter S of the Code since June 1, 1992. The Company currently utilizes the accrual method of accounting for income tax purposes. Such method of accounting has not changed in the past five years.

5.19 ABSENCE OF CHANGES. Since the Balance Sheet Date, except as set forth in Schedule 5.19, the Company has conducted its operations in the ordinary course and there has not been:

(a) any material adverse change in the business, operations, properties, condition (financial or other), assets, liabilities (contingent or otherwise), results of operations or prospects of the Company, taken as a whole;

(b) any damage, destruction or loss (whether or not covered by insurance) materially adversely affecting the properties or business of the Company, taken as a whole;

(c) any change in the authorized capital stock of the Company or in its outstanding securities or any change in the Stockholder's ownership

interests in the Company or any grant of any options, warrants, calls, conversion rights or commitments;

(d) any declaration or payment of any dividend or distribution in respect of the capital stock or any direct or indirect redemption, purchase or other acquisition of any of the capital stock of the Company;

(e) any increase in the compensation payable or to become payable by the Company to the Stockholder or any of its officers, directors, employees, consultants or agents, except for bonuses and salary increases for employees, which bonuses and salary increases are set forth in Schedule 5.19;

(f) any significant work interruptions, labor grievances or claims filed;

(g) except for the Merger, any sale or transfer, or any agreement to sell or transfer, any material assets, properties or rights of the Company to any person, including, without limitation, the Stockholder and his Affiliates;

(h) any cancellation, or agreement to cancel, any indebtedness or other obligation owing to the Company;

(i) any increase in the indebtedness of the Company, other than accounts payable incurred in the ordinary course of business, consistent with past practices or incurred in connection with the transactions contemplated by this Agreement;

(j) any plan, agreement or arrangement granting any preferential rights to purchase or acquire any interest in any of the assets, property or rights of the Company or requiring consent of any party to the transfer and assignment of any such assets, property or rights;

(k) any purchase or acquisition of, or agreement, plan or arrangement to purchase or acquire, any property, rights or assets outside of the ordinary course of the Company's business;

(j) any waiver of any material rights or claims of the Company;

(l) any material breach, amendment or termination of any material contract, agreement, Permit or other right to which the Company is a party or any of its property is subject; or

(m) any other material transaction by the Company outside the ordinary course of business.

5.20 ACCOUNTS WITH BANKS AND BROKERAGES; POWERS OF ATTORNEY. Schedule 5.20 sets forth an accurate schedule, as of the date of this Agreement, of (a) the name of each financial institution or brokerage firm in which the Company has accounts or safe deposit boxes; (b) the names in which the accounts or boxes are held; (c) the type of account and the cash, cash equivalents and securities held in such account as of the second business day prior to the Closing, none of which assets have been withdrawn from such accounts since such date except for bona fide business purposes in the ordinary course of the business of the

Company; and (d) the name of each person authorized to draw thereon or have access thereto. Schedule 5.20 also sets forth the name of each person, corporation, firm or other entity holding a general or special power of attorney from the Company and a description of the terms thereof.

5.21 ABSENCE OF CERTAIN BUSINESS PRACTICES. Neither the Company nor any of its affiliates has given or offered to give anything of value to any governmental official, political party or candidate for government office that was illegal to give or offer to give nor has it otherwise taken any action which would constitute a violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar Law.

5.22 COMPETING LINES OF BUSINESS; RELATED-PARTY TRANSACTIONS. Except as set forth in Schedule 5.22, neither the Stockholder nor any other Affiliate of the Company owns, directly or indirectly, any interest in, or is an officer, director, employee or consultant of or otherwise receives remuneration from, any business which is in a Competitive Business or is a competitor, lessor, lessee, customer or supplier of the Company. Except as set forth in Schedule 5.22, no officer or director of the Company nor the Stockholder has any interest in any property, real or personal, tangible or intangible, used in or pertaining to the business of the Company.

5.23 INTANGIBLE PROPERTY. Schedule 5.23 sets forth an accurate list of all patents, patent applications, trademarks, service marks, technology, licenses, trade names, copyrights and other intellectual property or proprietary property rights owned or used by the Company. The Company owns or possesses, and the assets of the Company include, sufficient legal rights to use all of such items without conflict with or infringement of the rights of others.

5.24 TAX REORGANIZATION REPRESENTATION. The Surviving Corporation will acquire substantially all of the properties of the Company within the meaning of Section 368(a)(2)(E) of the Code.

5.25 NO IMPLIED REPRESENTATIONS. Notwithstanding anything to the contrary contained in this Agreement, it is the express understanding of the Stockholder and the Company that Quanta and Newco are not making any representation or warranty whatsoever, express or implied, other than those representations and warranties of Quanta and Newco expressly set forth in this Agreement.

5.26 DISCLOSURE. The Stockholder and the Company have used commercially reasonable efforts to fully provide Quanta or its representatives with all the information that Quanta has requested in analyzing whether to consummate the Merger and the other transactions contemplated by this Agreement. None of the representations or warranties of the Stockholder to Quanta or Newco in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein, in light of the circumstances under which they were made, not misleading.

5.27 YEAR 2000 COMPLIANCE. All devices, systems, machinery, information technology, computer software and hardware, and other date sensitive technology (jointly and severally its "systems") necessary for the Company's business as presently conducted will be Year 2000 Compliant within a period of time calculated to result in no material disruption of any of their business operations. For purposes hereof, "Year 2000 Compliant" means that such systems are designed to be used prior to, during and after the Gregorian

calendar year 2000 A.D. and will operate during each such time period without error relating to date data, specifically including any error relating to, or the product of, date data which represents or references different centuries or more than one century.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF QUANTA AND NEWCO

Quanta and Newco jointly and severally represent and warrant to the Stockholder as follows:

6.1 ORGANIZATION. Each of Quanta and Newco is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each of Quanta and Newco is duly authorized and qualified under all applicable Laws to carry on its business in the places and in the manner now conducted. Each of Quanta and Newco has the requisite power and authority to own, lease and operate its assets and properties and to carry on its business as such business is currently being conducted.

6.2 AUTHORIZATION; NON-CONTRAVENTION; APPROVALS.

(a) Each of Quanta and Newco has the full legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement has been approved by the boards of directors of Quanta and Newco and by Quanta, as the sole stockholder of Newco. No additional corporate proceedings on the part of Quanta or Newco are necessary to authorize the execution and delivery of this Agreement and the consummation by Quanta and Newco of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Quanta and Newco, and, assuming the due authorization, execution and delivery by the Company and the Stockholder, constitutes valid and binding agreements of Quanta and Newco, enforceable against Quanta and Newco in accordance with its terms.

(b) The execution and delivery of this Agreement by Quanta and Newco do not, and the consummation by Quanta and Newco of the transactions contemplated hereby will not, violate or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of (i) the Certificate of Incorporation or By-Laws of Quanta or Newco, (ii) any Law applicable to either Quanta or Newco or any of its properties or assets or (iii) any material note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument, obligation or agreement of any kind to which Quanta or Newco is now a party or by which either Quanta or Newco or any of its properties or assets may be bound or affected.

(c) Except for the Merger Filings and such filings as may be required under federal or state securities Laws, no declaration, filing or registration with, or notice to, or authorization, consent or approval of, any Governmental Authority is necessary for the execution and delivery of this

Agreement by Quanta and Newco or the consummation by Quanta and Newco of the transactions contemplated hereby.

6.3 QUANTA COMMON STOCK. The shares of Quanta Common Stock to be issued to the Stockholder pursuant to the Merger are duly authorized and, when issued in accordance with the terms of this Agreement, will be validly issued, fully paid and nonassessable. The issuance of Quanta Common Stock pursuant to the Merger will transfer to the Stockholder valid title to such shares of Quanta Common Stock, free and clear of all Encumbrances, except for any Encumbrances created by the Stockholder.

6.4 TAX REORGANIZATION REPRESENTATIONS.

(a) Prior to the Merger, Quanta will be in control of Newco within the meaning of Section 368(c) of the Code.

(b) Quanta has no plan or intention to cause the Surviving Corporation to issue additional shares of its stock that would result in Quanta losing control of the Surviving Corporation within the meaning of Section 368(c) of the Code.

(c) Quanta has no plan or intention to reacquire any of its stock issued in the Merger.

(d) Quanta has no plan or intention to liquidate the Surviving Corporation; to merge the Surviving Corporation with or into another corporation; to sell or otherwise dispose of the stock of the Surviving Corporation except for transfers of stock to another corporation controlled by Quanta; or to cause the Surviving Corporation to sell or otherwise dispose of any of its assets, except for dispositions made in the ordinary course of business or transfers of assets to a corporation controlled by Quanta.

(e) Following the Closing, Quanta's intention is that the Surviving Corporation will continue the historic business of the Company or use a significant portion of the historic business assets of the Company in a business, all as required to satisfy the "continuity of business enterprise" requirement under Section 368 of the Code.

(f) Quanta does not own, nor has it owned during the past five years, any shares of the stock of the Company.

(g) Each of Quanta and Newco is undertaking the Merger for a bona fide business purpose and not merely for the avoidance of federal income tax.

(h) Neither Quanta nor Newco is an investment company as defined in Section 368(a)(2)(F)(iii) and (iv) of the Code.

(i) As of the Closing Date, the fair market value of the assets of Newco will exceed the sum of Newco's liabilities plus the amount of other liabilities, if any, to which Newco's assets are subject.

6.5 SEC FILINGS; DISCLOSURE. Quanta has filed with the SEC all material forms, statements, reports and documents required to be filed by it prior to the date hereof under each of the 1933 Act and the 1934 Act and the respective rules and regulations thereunder, (a) all of which, as amended, if applicable, complied when filed in all material respects with all applicable requirements of the appropriate Act and the rules and regulations thereunder, and (b) none of which, as amended, if applicable, contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made and at the time they were made, not misleading.

6.6 NO IMPLIED REPRESENTATIONS. Notwithstanding anything to the contrary contained in this Agreement, it is the express understanding of Quanta and Newco that the Stockholder is not making any representation or warranty whatsoever, express or implied, other than those representations and warranties of the Stockholder expressly set forth in this Agreement.

6.7 DISCLOSURE. Quanta has fully provided the Stockholder or his representatives with all the information that the Stockholder has requested in analyzing whether to consummate the Merger. None of the information so provided nor any representation or warranty of Quanta contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VII CERTAIN COVENANTS

7.1. RELEASE FROM GUARANTEES. Quanta shall use its commercially reasonable best efforts to have the Stockholder released from the personal guarantees of the Company's indebtedness and other obligations identified in Schedule 7.1 within 90 days after the Closing Date. Quanta hereby agrees to indemnify and defend the Stockholder and hold the Stockholder harmless for any amounts that the Stockholder is required to pay in connection with the

enforcement of any obligations under such personal guarantees after the Closing, including without limitation any reasonable attorneys' fees and expenses incurred in connection therewith.

7.2. FUTURE COOPERATION; TAX MATTERS.

- (a) The Stockholder and Quanta shall each deliver or cause to be delivered to the other following the Closing such additional instruments as the other may reasonably request for the purpose of fully carrying out this Agreement. The Stockholder will cooperate and use his commercially reasonable best efforts to have the present officers, directors and employees of the Company cooperate with Quanta and the Surviving Corporation at and after the Closing
- in furnishing information, evidence, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes of any nature with respect to matters pertaining to all periods prior to the Closing. Each party will bear its out-of-pocket costs and expenses paid or incurred in connection with any action taken pursuant to this Section 7.2.
- (b) The Stockholder shall prepare or cause to be prepared and file or cause to be filed all Tax returns for the Company for all periods ending on or prior to the Closing which are filed after the Closing consistent with the principles used to prepare such returns in previous periods. The Stockholder shall permit representatives of Quanta to review and comment on each such Tax return described in the preceding sentence prior to filing. The Stockholder shall include any income, gain, loss, deduction or other tax items for such periods on his Tax returns in a manner consistent with the Schedule K-1's prepared by the Stockholder for such periods.
- (c) Quanta and the Stockholder shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax returns pursuant to this Section 7.2 and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon either party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Quanta, the Company and the Stockholder agree (i) to retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing until the expiration of the statute of limitations (and to the extent notified by Quanta or the Company, any extensions thereof) of the respective tax periods, and to abide by all record retention agreements entered into with any taxing authority, and (ii) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Quanta and the Company shall allow the Stockholder, or the Stockholder shall allow Quanta or the Company, as the case may be, to take possession of such books and records.

7.3. EXPENSES. Quanta will pay the fees, expenses and disbursements of Quanta and its agents, representatives, accountants and counsel incurred in connection with the execution, delivery and performance of this Agreement and any amendments hereto. Upon consummation of the Merger, the Company will be responsible for the fees and expenses of Arthur Andersen LLP's audit or audit related procedures in connection with the transactions contemplated hereby. The Stockholder will pay the fees, expenses and disbursements incurred by him and those of the Company's agents, representatives, financial advisors, accountants (excluding the fees, expenses and disbursements of Arthur Andersen LLP) and counsel incurred in connection with the execution, delivery and performance of this Agreement and any amendments hereto and the consummation of the transactions contemplated hereby, including, without limitation, accounting fees and related expenses attributable to the final Tax returns of the Company and the Stockholder for periods through the Closing. The Stockholder will also pay any costs associated with business brokers or other advisors engaged by the Stockholder or the Company.

7.4. LEGAL OPINION. At the Closing, the Company and the Stockholder shall cause their legal counsel, Kilpatrick Stockton LLP, to deliver to Quanta a legal opinion in form and substance acceptable to Quanta.

7.5. EMPLOYMENT AGREEMENTS. Concurrently with the execution of this Agreement, the Surviving Corporation shall enter into a mutually acceptable Employment Agreement with each of the individuals identified on Schedule 7.5 (collectively, the "Employment Agreements").

7.6. REPAYMENT OF RELATED PARTY INDEBTEDNESS. Concurrently with the execution of this Agreement, (a) the Stockholder shall repay to the Company all amounts outstanding as advances to or receivables from the Stockholder, each of which advances or receivables is specifically reflected in Schedule 5.7, and (b) the Company shall repay all amounts outstanding under loans to the Company from

the Stockholder, each of which loans to the Company is specifically reflected in Schedule 5.6.

7.7. STOCK OPTIONS. Quanta shall recommend to the Compensation Committee of its Board of Directors that it grant nonqualified options to purchase an aggregate of 150,000 shares of Quanta Common Stock as of the Closing Date under Quanta's 1997 Stock Option Plan (the "Option Plan") to certain key employees of the Company (other than the Stockholder), as set forth on Schedule 7.7 in the amounts listed thereon. Schedule 7.7 shall also include the social security number and home address of each individual listed thereon. Such options shall vest in equal annual increments for four years, commencing on the first anniversary of the Closing Date.

7.8. LEASE AGREEMENT. Concurrently with the execution of this Agreement, the Surviving Corporation shall enter into a mutually acceptable Lease Agreement with Stockholder for the offices of the Company located at 6001 Live Oak Parkway, Norcross, Georgia (the "Lease").

7.9 REGISTRATION RIGHTS.

- (a) Quanta shall cause to be filed with the SEC by October 31, 1999, a shelf registration statement providing for the registration and resale on a continuous or delayed basis by the Stockholder the Registrable Stock pursuant to Rule 415 under the Act, and Quanta shall use its commercially reasonable efforts to become or be declared effective as soon as practicable. Quanta shall use its commercially reasonable efforts to keep such registration statement continuously effective, supplemented and amended as provided in this Section 7.9 until the second anniversary of the Closing Date.
- (b) In connection with the registration required by Section 7.9(a), Quanta will use its commercially reasonable efforts to as expeditiously as possible:
 - (i) prepare and file with the SEC such amendments and supplements to such registration statement and prospectus used in connection therewith as may be necessary to keep such registration statement for such period as shall be required for the disposition pursuant to the terms of such registration of all shares of Registrable Stock, and to comply with the provisions of the 1933 Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of distribution by the Stockholder set forth in such registration statement;
 - (ii) furnish to the Stockholder such number of copies of such registration statement, each amendment and supplement thereto, in each case including all exhibits, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as the Stockholder may reasonably request in order to facilitate the disposition of the Registrable Stock;
 - (iii) qualify such Registrable Stock under such other securities, under such other securities or blue sky laws of such jurisdictions as the Stockholder reasonably requests to keep such registration or qualification in effect for as long as the relevant registration statement is in effect and do any and all other acts and things which may be reasonably necessary or advisable to enable Stockholder to consummate the disposition in such jurisdictions of the Registrable Stock; provided, however, Quanta will not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection or to consent to general service of process in any such jurisdiction;
 - (iv) notify Stockholder at any time when a prospectus included in such registration statement is required to be delivered under the 1933 Act, of the happening of any event as a result of which the prospectus included in such registration statement includes an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading and, at the request of Stockholder, Quanta will promptly prepare a supplement or amendment to such prospectus so that, as thereafter delivered to purchasers of such Registrable Stock, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein, in light of the circumstances

under which such statements are made, not misleading;

- (v) cause all such Registrable Stock to be listed on each securities exchange on which similar securities issued by Quanta are then listed and to be qualified for trading on each system on which similar securities issued by Quanta are from time to time qualified;
- (vi) provide a transfer agent and a registrar for all such Registrable Stock not later than the effective date of such registration statement and thereafter maintain such a transfer agent and registrar;
- (vii) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as practicable, an earnings statement covering the period of at least 12 months beginning with the first day of Quanta's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder; and
- (viii) in the event of the issuance of any stop order suspending the effectiveness of such registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Stock included in any registration statement for sale in any jurisdiction, Quanta will promptly notify the Stockholder thereof and will use its commercially reasonable efforts promptly to obtain the withdrawal of such order.

The Stockholder agrees that if Quanta has delivered preliminary or final prospectuses to Stockholder and after having done so Quanta shall give notice to Stockholder that (i) the prospectus needs to be amended or supplemented to comply with the requirements of the 1933 Act, (ii) a stop order suspending the effectiveness of the registration is issued by the SEC or (iii) a Potential Material Event shall exist, then Stockholder shall immediately cease making offers and sales of Registrable Stock and return all remaining prospectuses to Quanta. Following such amendment or supplement, the lifting of any stop order or such time as the Potential Material Event shall no longer exist, Quanta shall promptly provide Stockholder with revised prospectuses and, following receipt of the revised prospectuses, Stockholder shall be free to resume making offers of the Registrable Stock, or any portion thereof. The period during which Quanta exercises its rights described in this paragraph to postpone, delay or interrupt the offer and sale of the Registrable Stock or during the pendency of any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court shall be added to the period for which Quanta must keep such registration effective pursuant to subsection (i) of this Section 7.9(b).

- (c) Quanta shall pay all expenses incident to Quanta's performance of or compliance with this Section 7.9, including, without limitation, all registration, SEC filing fees, New York Stock Exchange fees, all fees and expenses of complying with securities or blue sky laws, printing expenses, the fees and disbursements of counsel for Quanta

and of its independent public accountants, provided, however, that Quanta shall not pay, and Stockholder shall pay, any underwriting discounts, commissions and transfer taxes in respect of the Registrable Stock being registered.

- (d) As a condition to Quanta's obligations hereunder, Stockholder shall furnish to Quanta such information regarding Stockholder and the distribution proposed by Stockholder as Quanta may reasonably request and as shall be required in connection with any registration, qualification or compliance contemplated by this Agreement.
- (e) Quanta agrees to indemnify, to the extent permitted by law, Stockholder against all Losses caused by any untrue or alleged untrue statement of material fact contained in the registration statement required by this Section 7.9, including any prospectus or preliminary prospectus included therein, or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to

make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to Quanta by Stockholder expressly for use therein or by Stockholder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after Quanta has furnished Stockholder with a sufficient number of copies of the same. Any claim to indemnification pursuant to this Section 7.9(e) shall be made pursuant to Article VIII hereof.

- (f) In connection with any registration statement, Stockholder will, to the extent permitted by law, indemnify Quanta, its directors and officers and each person who controls Quanta (within the meaning of the 1933 Act) against any Losses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (but only to the extent that any such untrue statement or omission is contained in any information or affidavit so furnished in writing by Stockholder for use therein) and any failure of Stockholder to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after Quanta has furnished Stockholder with a sufficient number of copies of the same. Any claim to indemnification pursuant to this Section 7.9(f) shall be made pursuant to Article VIII hereof.

ARTICLE VIII INDEMNIFICATION

The Stockholder, Quanta and Newco each make the following covenants:

8.1. GENERAL INDEMNIFICATION BY THE STOCKHOLDER. Subject to Section 8.5 and Section 8.6 the

Stockholder covenants and agrees that he will (without any right of indemnification or contribution from the Company) indemnify, defend, protect and hold harmless Quanta, Newco and the Surviving Corporation, and their respective officers, directors, employees, stockholder, agents, representatives and Affiliates, at all times from and after the date of this Agreement from and against all Losses incurred by any of such indemnified persons as a result of or arising from (a) until the Expiration Date any breach of the representations and warranties of the Stockholder set forth herein or in the Schedules or certificates delivered in connection herewith, (b) any breach or nonfulfillment of any covenant or agreement on the part of the Stockholder or the Company under this Agreement, (c) all income Taxes payable by the Company for all periods prior to and including the Closing Date, (d) all transfer and other Taxes arising from the transactions contemplated by this Agreement or (e) as the result of the breach of, or non-compliance by the Company with, any Environmental, Health and Safety Law prior to the Closing.

8.2. INDEMNIFICATION BY QUANTA. Subject to Section 8.5 and Section 8.6, Quanta covenants and agrees that it will indemnify, defend, protect and hold harmless the Stockholder and his respective agents, representatives, Affiliates, beneficiaries and heirs and employees at all times from and after the date of this Agreement from and against all Losses incurred by any of such indemnified persons as a result of or arising from (a) until the Expiration Date, any breach of the representations and warranties of Quanta or Newco set forth herein or in the Schedules or certificates attached hereto or (b) any breach or nonfulfillment of any covenant or agreement on the part of Quanta or Newco under this Agreement.

8.3. THIRD PERSON CLAIMS. Promptly after any party hereto (hereinafter the "Indemnified Party") has received notice of or has knowledge of any claim by a person not a party to this Agreement ("Third Person"), of the commencement of any action or proceeding by a Third Person, which the Indemnified Party believes in good faith is an indemnifiable claim under this Agreement, the Indemnified Party shall give to the party obligated to provide indemnification pursuant to Sections 8.1 or 8.2 hereof (hereinafter the "Indemnifying Party") written notice of such claim or the commencement of such action or proceeding. Such notice shall state the nature and the basis of such claim and a reasonable estimate of the amount thereof. The Indemnifying Party shall have the right to defend and settle, at its own expense and by its own counsel, any such matter so long as the Indemnifying Party pursues the same diligently and in good faith. If the Indemnifying Party undertakes to defend or settle, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in all commercially reasonable respects in the defense thereof and in any settlement thereof. Such cooperation shall include, but shall not be limited to, furnishing the Indemnifying Party with any books, records and other information reasonably requested by the Indemnifying Party and in the Indemnified Party's possession or control. After the Indemnifying Party has notified the Indemnified Party of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnifying Party diligently pursues such defense, the

Indemnifying Party shall not be liable for any additional legal expenses incurred by the Indemnified Party in connection with any defense or settlement of such asserted liability; provided, however, that the Indemnified Party shall be entitled, at its expense, to participate in the defense of such asserted liability and the negotiations of the settlement thereof. The Indemnifying Party shall not settle any such Third Person claim without the consent of the Indemnified Party, unless the settlement thereof imposes no liability or obligation on, and includes a complete release from liability of, the Indemnified Party. If the Indemnifying Party desires to accept a final and complete settlement of any such Third Person claim and the

Indemnified Party refuses to consent to such settlement, then the Indemnifying Party's liability under this Section with respect to such Third Person claim shall be limited to the amount so offered in settlement by said Third Person; provided, however, that notwithstanding the foregoing, the Indemnified Party shall be entitled to refuse to consent to any such proposed settlement and the Indemnifying Party's liability hereunder shall not be limited by the amount of the proposed settlement if such settlement does not provide for the complete release of the Indemnified Party. If, upon receiving notice, the Indemnifying Party does not timely undertake to defend such matter to which the Indemnified Party is entitled to indemnification hereunder, or fails diligently to pursue such defense, the Indemnified Party may undertake such defense through counsel of its choice, at the cost and expense of the Indemnifying Party, and the Indemnified Party may settle such matter, in its discretion, and the Indemnifying Party shall reimburse the Indemnified Party for the amount paid in such settlement and any other liabilities or expenses incurred by the Indemnified Party in connection therewith.

8.4. NON-THIRD PERSON CLAIMS. In the event that any Indemnified Party asserts the existence of a claim giving rise to Losses (but excluding claims resulting from the assertion of liability by Third Persons), such party shall give written notice to the Indemnifying Party. Such written notice shall state that it is being given pursuant to this Section 8.4, specify the nature and amount of the claim asserted, and indicate the date on which such assertion shall be deemed accepted and the amount of the claim deemed a valid claim (such date to be established in accordance with the next sentence). If such indemnifying Party, within 60 days after the mailing of notice by such Indemnified Party, shall not give written notice to such Indemnified Party announcing such Indemnifying Party's intent to contest such assertion of such Indemnified Party, such assertion shall be deemed accepted and the amount of such claim shall be deemed a valid claim. In the event, however, that such Indemnifying Party contests such assertion of a claim by giving such written notice to the Indemnified Party within said period, then the parties shall act in good faith to reach agreement regarding such claim. In the event that litigation shall arise with respect to any such claim, the prevailing party shall be entitled to reimbursement of costs and expenses incurred in connection with such litigation including reasonable attorneys' fees, if the parties hereto, acting in good faith, cannot reach agreement with respect to such claim within 60 days after the notice provided by the Indemnified Party.

8.5. INDEMNIFICATION DEDUCTIBLE. Neither the Stockholder, on the one hand, nor Quanta, Newco and the Surviving Corporation, on the other hand, shall be entitled to indemnification from the other under the provisions of Section 8.1(a) or Section 8.2(a), as the case may be, until such time as, and only to the extent that, the claims subject to indemnification by such other party exceed, in the aggregate, \$600,000. Notwithstanding the foregoing, the limitations set forth in this Section 8.5 shall not apply to fraudulent misrepresentations.

8.6. INDEMNIFICATION LIMITATION. Subject to Section 8.5, the aggregate indemnification obligation of the Stockholder under Section 8.1(a) and of Quanta and Newco under Section 8.2(a) shall be limited to \$60,000,000. Notwithstanding the foregoing, the limitations set forth in this Section 8.6 not apply to fraudulent misrepresentations.

8.7. INDEMNIFICATION FOR NEGLIGENCE OF INDEMNIFIED PARTY. THE RIGHTS TO INDEMNIFICATION UNDER THIS ARTICLE VIII INCLUDE RIGHTS TO INDEMNIFICATION FOR THE RESULTS OF AN INDEMNIFIED PARTY'S ACTUAL OR ALLEGED NEGLIGENCE, IF SUCH INDEMNIFIED PARTY WOULD OTHERWISE BE ENTITLED TO INDEMNIFICATION HEREUNDER.

8.8 EXCLUSIVE REMEDY. Except as expressly provided in this Agreement, the provisions of this Article VIII, absent fraud, shall be the sole and exclusive remedy of any party after the Closing Date for any damage, claim, cause of action or right of any nature arising out of or relating to this Agreement, the certificates or other documents executed or delivered herewith, or the transactions contemplated hereby. Notwithstanding the foregoing, the limitations set forth in this Section 8.8 shall not apply to equitable relief sought by Quanta with regard to the covenants of the Stockholder set forth in Section 7.2, ARTICLE IX or ARTICLE X.

ARTICLE IX NONCOMPETITION COVENANTS

9.1 PROHIBITED ACTIVITIES.

(a) For no additional consideration, the Stockholder will not for five years following the Closing Date and, if longer, one year following Stockholder's termination of employment with the Surviving Corporation or its Affiliates (with the applicable period being herein referred to as the "Noncompete Term"), directly or indirectly, for himself or on behalf of or in conjunction with any other person, company, partnership, corporation or business of whatever nature:

- (i) engage, as an officer, director, shareholder, owner, partner, joint venturer, or in a managerial or advisory capacity, whether as an employee, independent contractor, consultant or advisor, or as a sales representative, in any Competitive Business within 150 miles of (A) where the Company or any of its subsidiaries conducts a Competitive Business, or has conducted a Competitive Business within the past three years or (B) where Quanta or the Surviving Corporation or an Affiliate of Quanta or the Surviving Corporation conducts a Competitive Business after the Closing that is, within six months prior to the date of termination of Stockholder's employment, a Competitive Business under his supervision or managerial authority (such areas being herein referred to as the "Territory");
- (ii) call upon any person, who is, at that time, an employee or consultant of Quanta, the Surviving Corporation or any of their respective subsidiaries, for the purpose or with the intent or effect of enticing such employee or consultant away from or out of the employ or contract with Quanta, the Surviving Corporation or any of their respective subsidiaries; or
- (iii) call upon any person or entity which is, at that time, or which has been, within one year prior to that time, a customer of the Company, Quanta or the Surviving Corporation or any of the subsidiaries of such parties within the Territory for the purpose of soliciting or selling services or products in a Competitive Business within the Territory.

(b) Notwithstanding the above, Section 9.1(a) shall not be deemed to prohibit Stockholder from acquiring, as a passive investor with no involvement in the operations of the business, not more than one percent of the capital stock of a Competitive Business whose stock is publicly traded on a national securities exchange, The NASDAQ Stock Market or over-the-counter.

9.2. **EQUITABLE RELIEF.** Because of the difficulty of measuring economic losses to Quanta and the Surviving Corporation as a result of a breach of the foregoing covenant, because a breach of such covenant would diminish the value of the assets and business of the Company being sold pursuant to this Agreement, and because of the immediate and irreparable damage that could be caused to Quanta and the Surviving Corporation for which it would have no other adequate remedy, Stockholder agrees that the foregoing covenant may be enforced against him by injunctions, restraining orders and other equitable actions.

9.3 **REASONABLE RESTRAINT.** It is agreed by the parties hereto that the foregoing covenants in this ARTICLE IX are necessary in terms of time, activity and territory to protect Quanta's and the Surviving Corporation's interest in the assets and business being acquired pursuant to the terms of this Agreement and impose a reasonable restraint on Stockholder in light of the activities and businesses of the Company on the date of the execution of this Agreement and the current plans of the Company.

9.4. **SEVERABILITY; REFORMATION.** The covenants in this ARTICLE IX are severable and separate, and the unenforceability of any specific covenant shall not affect the continuing validity and enforceability of any other covenant. In the event any court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth in this ARTICLE IX are unreasonable and therefore unenforceable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which the court deems reasonable and this Agreement shall thereby be reformed.

9.5. **MATERIAL AND INDEPENDENT COVENANT.** Stockholder acknowledges that his agreements and the covenants set forth in this ARTICLE IX are material conditions to Quanta's and Newco's agreements to execute and deliver this Agreement and to consummate the transactions contemplated hereby and that Quanta and Newco would not have entered into this Agreement without such covenants. All of the covenants in this ARTICLE IX shall be construed as an agreement independent of any other provision in this Agreement.

10.1. GENERAL. Stockholder recognizes and acknowledges that he had in the past, currently has,

and in the future will have, access to certain confidential information relating to the businesses of the Company, such as lists of customers, operational policies, and pricing and cost policies that are, and following the Closing will be, valuable, special and unique assets of the Surviving Corporation. Stockholder agrees that he will not use or disclose such confidential information to any person, firm, corporation, association or other entity for any purpose whatsoever, except as is required in the course of performing his duties, if any, to the Surviving Corporation and/or Quanta, unless (a) such information becomes known to the public generally through no fault of Stockholder, or (b) disclosure is required by Law, provided that prior to disclosing any information pursuant to this clause (b) Stockholder shall, if commercially reasonable, give prior written notice thereof to Quanta and the Surviving Corporation and provide Quanta with the opportunity to contest such disclosure. In the event of a breach or threatened breach by Stockholder of the provisions of this Section, Quanta shall be entitled to an injunction restraining Stockholder from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting Quanta from pursuing any other available remedy for such breach or threatened breach, including, without limitation, the recovery of damages.

10.2. EQUITABLE RELIEF. Because of the difficulty of measuring economic losses as a result of the breach of the foregoing covenants, because a breach of such covenant would diminish the value of the assets and business of the Company being sold pursuant to this Agreement, and because of the immediate and irreparable damage that would be caused for which the Surviving Corporation and/or Quanta would have no other adequate remedy, Stockholder agrees that the foregoing covenants may be enforced against him by injunctions, restraining orders and other equitable actions.

ARTICLE XI INTENDED TAX TREATMENT

11.1. TAX-FREE REORGANIZATION. Quanta and the Stockholder are entering into this Agreement with the intention that the Merger qualify as a tax-free reorganization for federal income tax purposes, except to the extent of any "boot" received, and neither Quanta nor the Stockholder will take any actions that disqualify the Merger for such treatment.

ARTICLE XII FEDERAL SECURITIES ACT AND CONTRACTUAL RESTRICTIONS ON QUANTA COMMON STOCK

12.1 COMPLIANCE WITH LAW. The Stockholder acknowledges the shares of Quanta Common Stock issued in accordance with the terms of this Agreement (the "Restricted Shares") will not be registered under the 1933 Act, except as required by Section 7.9, and therefore may not be resold without compliance with the 1933 Act. The Restricted Shares are being or will be acquired by the Stockholder solely for his own account, for investment purposes only, and with no present intention of distributing, selling or otherwise disposing of them in connection with a distribution. The Stockholder covenants, warrants and represents that none of the Restricted Shares will be, directly or indirectly, offered, sold, assigned, pledged,

hypothecated, transferred or otherwise disposed of except after full compliance with all of the applicable provisions of the 1933 Act and the rules and regulations of the SEC. Until the effective date of the shelf registration statement filed pursuant to Section 7.9, certificates representing the shares of Quanta Common Stock issued at the Closing shall bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE WERE NOT ISSUED IN A TRANSACTION REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS. THE SHARES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD OR TRANSFERRED UNLESS SUCH SALE OR TRANSFER IS COVERED BY AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR, IN THE OPINION OF COUNSEL TO THE ISSUER, IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS.

12.2. ECONOMIC RISK; SOPHISTICATION; ACCREDITED INVESTORS. Stockholder is able to bear the economic risk of an investment in the Restricted Shares and can afford to sustain a total loss of such investment. Stockholder has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the proposed investment and therefore has the capacity to protect his own interests in connection with the acquisition of the Restricted Shares pursuant hereto. Stockholder represents to Quanta and Newco that he is an "accredited investor," as that term is defined in Regulation D under the 1933 Act. Stockholder or his representatives have had an adequate opportunity to ask questions and receive answers from the officers of Quanta and Newco concerning, among other matters, Quanta, its management, its plans for the operation of its business and potential additional acquisitions.

12.3 RESTRICTION ON SALE OR OTHER TRANSFER OF RESTRICTED SHARES.

Stockholder covenants, warrants and represents that, (i) 50% of the shares of Quanta Common Stock issued at the Closing will not be offered, sold, assigned, pledged, hypothecated, transferred or otherwise disposed of, directly or indirectly, during the one-year period commencing on the Closing Date (the "Initial Lockup Period") and (ii) 25% of the shares of Quanta Common Stock issued at the Closing will not be offered, sold, assigned, pledged, hypothecated, transferred or otherwise disposed of, directly or indirectly, during the two-year period commencing on the Closing Date (the "Secondary Lockup Period" and together with the Initial Lockup Period, the "Lockup Periods"), and, after the applicable Lockup Period, the shares of Quanta Common Stock issued at the Closing may be offered, sold, assigned, pledged, hypothecated, transferred or otherwise disposed of directly or indirectly, only after full compliance with all of the applicable provisions of the 1933 Act and the rules and regulations of the SEC; and, during the applicable Lockup Period, Stockholder shall not engage in put, call, short-sale, hedge, straddle or similar transactions intended to reduce the Stockholder's risk of owning the shares subject to lockup restrictions under this Section 12.3. Certificates representing a portion of the shares of Quanta Common Stock issued at the Closing, shall bear the following legend, which shall reflect the applicable Lockup Period, in addition to the legend under Section 12.1:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A
CONTRACTUAL RESTRICTION ON TRANSFER THAT EXPIRES ON AUGUST 13, 200_
AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED,
TRANSFERRED OR OTHERWISE DISPOSED OF DURING

THE PERIOD OF SUCH CONTRACTUAL RESTRICTION WITHOUT THE PRIOR WRITTEN
CONSENT OF QUANTA SERVICES, INC.

12.4. REMOVAL OF LEGENDS. The legends required under Section 12.1 and Section 12.3 shall be removed at the request of the Stockholder at any time after the effective date of the shelf registration statement, or the expiration of the applicable Lock Up-Period with respect to those shares, respectively.

ARTICLE XIII MISCELLANEOUS

13.1. SUCCESSORS AND ASSIGNS. This Agreement and the rights of the parties hereunder may not be assigned (except by operation of Law) and shall be binding upon and shall inure to the benefit of the parties hereto, the successors of Quanta, Newco, the Surviving Corporation and the Company, and the heirs and legal representatives of the Stockholder.

13.2. ENTIRE AGREEMENT. This Agreement (including the Schedules, exhibits and annexes attached hereto) and the documents delivered pursuant hereto constitute the entire agreement and understanding among the Stockholder, the Company, Newco and Quanta and supersede any prior agreement and understanding relating to the subject matter of this Agreement, including, without limitation, the Letter of Intent. This Agreement may be modified or amended only by a written instrument executed by the Stockholder, the Company, Newco and Quanta, acting through their respective officers, duly authorized by their respective Boards of Directors.

13.3. COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission will be deemed the same as delivery of an original. At the request of any party, the parties will confirm facsimile transmission by signing a duplicate original document.

13.4. BROKERS AND AGENTS. Each party hereto represents and warrants that it employed no broker or agent in connection with the transactions contemplated by this Agreement. Except as specifically provided in Section 7.3, each party agrees to indemnify each other party against all loss, cost, damages or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such indemnifying party.

13.5. NOTICES. All notices and communications required or permitted hereunder shall be in writing and may be given by depositing the same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, or by delivering the same in person to an officer or agent of such party, as follows:

- (a) If to Quanta, Newco or the Surviving Corporation, addressed to them at:

Quanta Services, Inc.
1360 Post Oak Blvd., Suite 2100
Houston, Texas 77056
Attn: President and General Counsel

(b) If to the Stockholder, addressed as follows:

Billy R. Jones
3320 Bethel Church Road
Monticello, Georgia 31064

with a copy (which shall not constitute notice) to:

Harold Abrams
Kilpatrick Stockton LLP
1100 Peachtree Street
Suite 2800
Atlanta, Georgia 30309-4350

or such other address as any party hereto shall specify pursuant to this Section 13.5 from time to time.

13.6. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations and warranties set forth in ARTICLE V and ARTICLE VI shall survive the Closing for a period of two years from the Closing Date (the "Expiration Date"), except that the representations and warranties set forth in Sections 5.16 (related to Tax matters) and 5.18 hereof shall survive until such time as the applicable statute of limitations has run for all tax periods ended prior to the Closing Date, which shall be deemed to be the Expiration Date for Sections 5.16 (related to Tax matters) and 5.18.

13.7. EXERCISE OF RIGHTS AND REMEDIES. Except as otherwise provided herein, no delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

13.8. REFORMATION AND SEVERABILITY. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and unenforceable, but so as to most nearly retain the intent of the parties, and if such modification is not possible, such provision shall be severed from this Agreement, and in either case, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

13.9. GOVERNING LAW. This Agreement shall be construed in accordance with the laws of the State of Georgia applicable to agreements entered into and fully to be performed in the State of Georgia by residents of the State of Georgia.

13.10 DISPUTE RESOLUTION.

(a) Except with respect to injunctive relief as provided in Section 9.2 and Section 10.2 (which relief may be sought from any court or administrative agency with jurisdiction with respect thereto), any unresolved dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association then in effect. The arbitration shall be conducted by a retired judge employed by the Atlanta, Georgia Regional Office of J.A.M.S./Endispute, Inc. ("JAMS"). The arbitration shall be held in JAMS' Atlanta, Georgia office.

(b) The parties shall obtain from JAMS a list of the retired judges available to conduct the arbitration. The parties shall use their reasonable efforts to agree upon a judge to conduct the arbitration. If the parties cannot agree upon a judge to conduct the arbitration within 10 days after receipt of the list of available judges, the parties shall ask JAMS to provide the parties a list of three available judges (the "Judge List"). Within five days after receipt of the Judge List, each party shall strike one of the names of the available judges from the Judge List and return a copy of such list to JAMS and the other party. If two different judges are stricken from the Judge List, the remaining judge shall conduct the arbitration. If only one judge is stricken from the Judge List, JAMS shall select a judge from the remaining two judges on the Judge List to conduct the arbitration.

(c) The arbitrator shall not have the authority to add to, detract from, or modify any provision hereof nor to award punitive damages to any injured party. The arbitrator shall have the authority to order payment of damages, reimbursement of costs, including those incurred to enforce this Agreement, and interest thereon in the event the arbitrator determines that a material breach of this Agreement has occurred. A decision by the arbitrator shall be final and binding. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the

date first written above.

QUANTA SERVICES, INC.

By: /s/ Brad Eastman

 Brad Eastman, Vice President

QUANTA XXIV ACQUISITION, INC.

By: /s/ Brad Eastman

 Brad Eastman, President

CROWN FIBER COMMUNICATIONS, INC.

By: /s/ Billy R. Jones

 Billy R. Jones, Chief Executive Officer

STOCKHOLDER:

By: /s/ Billy R. Jones

 Billy R. Jones, Individually