==========

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO .

COMMISSION FILE NO. 001-13831

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

DELAWARE	74-2851603
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

1360 POST OAK BLVD.
SUITE 2100
HOUSTON, TEXAS 77056
(Address of principal executive offices)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(713) 629-7600

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

59,799,848 shares of Common Stock were outstanding as of August 9, 2002. As of the same date, 1,083,750 shares of Limited Vote Common Stock were outstanding.

==========

QUANTA SERVICES, INC. AND SUBSIDIARIES

INDEX

<Table>
<Caption>

	PAGE
<S>	<C>
PART I. FINANCIAL INFORMATION	
ITEM 1. Financial Statements	
QUANTA SERVICES, INC. AND SUBSIDIARIES	
Consolidated Balance Sheets	1
Consolidated Statements of Operations	2
Consolidated Statements of Cash Flows	3
Notes to Condensed Consolidated Financial Statements	4
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	12

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk..... 19
PART II. OTHER INFORMATION
ITEM 2. Changes in Securities..... 21
ITEM 4. Submission of Matters to a Vote of Security Holders..... 21
ITEM 6. Exhibits and Reports on Form 8-K..... 22
Signature..... 23

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE INFORMATION)

	DECEMBER 31, 2001	JUNE 30, 2002 (UNAUDITED)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,287	$ 4,577
Accounts receivable, net of allowance of $35,856 and $41,423, respectively	451,870	419,098
Costs and estimated earnings in excess of billings on uncompleted contracts	57,433	59,951
Inventories	25,053	31,127
Prepaid expenses and other current assets	36,477	40,914
Total current assets	577,120	555,667
PROPERTY AND EQUIPMENT, net	385,480	389,761
OTHER ASSETS, net	43,319	65,476
GOODWILL AND OTHER INTANGIBLES, net	1,036,982	395,725
Total assets	$ 2,042,901	$ 1,406,629
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 8,063	$ 7,590
Accounts payable and accrued expenses	202,327	214,582
Billings in excess of costs and estimated earnings on uncompleted contracts	31,140	20,693
Total current liabilities	241,530	242,865
LONG-TERM DEBT, net of current maturities	327,774	338,693
CONVERTIBLE SUBORDINATED NOTES	172,500	172,500
DEFERRED INCOME TAXES AND OTHER NON-CURRENT LIABILITIES	94,346	60,466
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.00001 par value, 10,000,000 shares authorized:		
Series A Convertible Preferred Stock, 3,444,961 shares issued and outstanding	--	--
Common Stock, $.00001 par value, 300,000,000 shares authorized, 60,629,965 and 61,245,531 shares issued and 59,643,965 and 60,321,031 outstanding, respectively	--	--
Limited Vote Common Stock, $.00001 par value, 3,345,333 shares authorized, 1,116,238 and 1,087,550 shares issued and outstanding, respectively	--	--
Additional paid-in capital	952,380	946,920
Deferred compensation	(1,770)	(1,644)
Retained earnings	271,448	(341,369)
Treasury Stock, at cost, 986,000 and 924,500 common shares, respectively	(15,307)	(11,802)
Total stockholders' equity	1,206,751	592,105
Total liabilities and stockholders' equity	$ 2,042,901	$ 1,406,629

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE INFORMATION)
(UNAUDITED)

<Table>
<Caption>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
<S>	<C>	<C>	<C>	<C>
REVENUES	$ 503,342	$ 432,522	$ 1,022,360	$ 881,742
COST OF SERVICES (including depreciation)	392,588	384,362	802,654	757,895
Gross profit	110,754	48,160	219,706	123,847
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	60,495	59,489	102,528	110,209
GOODWILL IMPAIRMENT	--	166,580	--	166,580
GOODWILL AMORTIZATION	6,553	--	12,857	--
Income (loss) from operations	43,706	(177,909)	104,321	(152,942)
OTHER INCOME (EXPENSE):				
Interest expense	(9,138)	(8,035)	(18,366)	(15,889)
Other, net	(581)	1,183	(559)	1,618
INCOME (LOSS) BEFORE INCOME TAX PROVISION (BENEFIT) AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	33,987	(184,761)	85,396	(167,213)
PROVISION (BENEFIT) FOR INCOME TAXES	17,304	(7,564)	39,410	(282)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	16,683	(177,197)	45,986	(166,931)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	--	--	--	445,422
NET INCOME (LOSS)	16,683	(177,197)	45,986	(612,353)
DIVIDENDS ON PREFERRED STOCK	232	232	464	464
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	$ 16,451	$ (177,429)	$ 45,522	$ (612,817)
EARNINGS (LOSS) PER SHARE:				
Basic and Diluted Earnings (Loss) per Share Before Cumulative Effect of Change in Accounting Principle.	$ 0.21	$ (2.26)	$ 0.59	$ (2.13)
Cumulative Effect of Change in Accounting Principle, Net of Tax	--	--	--	(5.69)

Basic and Diluted Earnings (Loss) per Share	$ 0.21	$ (2.26)	$ 0.59	$ (7.82)
SHARES USED IN COMPUTING EARNINGS (LOSS) PER SHARE:				
Basic	77,073	78,272	76,643	78,269
Diluted	78,649	78,272	78,182	78,269

</Table>

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

<Table>
<Caption>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
<S>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss) attributable to common stock	$ 16,451	$ (177,429)	$ 45,522	$ (612,817)
Adjustments to reconcile net income attributable to common stock to net cash provided by operating activities --				
Cumulative effect of change in accounting principle, net of tax	--	--	--	445,422
Goodwill impairment	--	166,580	--	166,580
Depreciation and amortization	19,496	15,442	38,158	30,017
Loss on sale of property and equipment	655	444	755	696
Allowance for doubtful accounts	14,958	6,362	17,924	5,567
Deferred income tax benefit	(4,801)	(22,868)	(3,901)	(18,270)
Preferred stock dividend	232	232	464	464
Changes in operating assets and liabilities, net of non-cash transactions --				
(Increase) decrease in --				
Accounts receivable	(34,502)	(23,974)	(31,011)	31,432
Costs and estimated earnings in excess of billings on uncompleted contracts	1,011	(2,113)	(5,400)	(9,509)
Inventories	(2,370)	(1,030)	(4,012)	(6,074)
Prepaid expenses and other current assets	999	(1,165)	3,613	210
Increase (decrease) in --				
Accounts payable and accrued expenses	16,525	26,283	24,663	30,175
Billings in excess of costs and estimated earnings				

on uncompleted contracts	3,339	(2,599)	6,058	(10,573)
Other, net	(1,236)	142	(1,462)	(498)
Net cash provided by (used in) operating activities	30,757	(15,693)	91,371	52,822
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of property and equipment	827	1,173	1,911	1,729
Additions of property and equipment	(25,755)	(16,623)	(54,357)	(33,371)
Cash paid for acquisitions, net of cash acquired	(5,582)	(7,035)	(82,452)	(8,000)
Notes receivable	--	(410)	2,658	(17,206)
Net cash used in investing activities	(30,510)	(22,895)	(132,240)	(56,848)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net borrowings (payments) under bank lines of credit	(2,170)	49,890	27,120	13,670
Proceeds from other long-term debt	101	1,187	1,570	1,816
Payments on other long-term debt	(6,566)	(3,235)	(11,905)	(6,099)
Issuances of stock, net of offering costs	--	--	4,098	3,650
Stock repurchases	--	(11,802)	--	(11,802)
Exercise of stock options	4,598	816	5,452	1,081
Net cash provided by (used in) financing activities	(4,037)	36,856	26,335	2,316
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,790)	(1,732)	(14,534)	(1,710)
CASH AND CASH EQUIVALENTS, beginning of period	6,562	6,309	17,306	6,287
CASH AND CASH EQUIVALENTS, end of period	$ 2,772	$ 4,577	$ 2,772	$ 4,577
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for --				
Interest	$ 2,889	$ 1,197	$ 17,374	$ 11,507
Income taxes	5,661	4,873	6,175	5,495

</Table>

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BUSINESS AND ORGANIZATION:

Quanta Services, Inc. (Quanta) is a leading provider of specialized contracting services, offering end-to-end network solutions to the electric power, gas, telecommunications and cable television industries. Our comprehensive services include designing, installing, repairing and maintaining network infrastructure. Reference herein to the "Company" includes Quanta and its subsidiaries. The consolidated financial statements of the Company include the accounts of Quanta and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Since its inception and through 2001, Quanta acquired 86 businesses. The Company has acquired two additional businesses through June 30, 2002 for an aggregate consideration of 251,079 shares of common stock and approximately $8.0 million in cash, net of cash acquired.

In the course of its operations, the Company is subject to certain risk factors, including but not limited to risks related to: rapid technological and structural changes in the industries the Company serves, internal growth and operating strategies, economic downturn, the collectibility of receivables, acquisition integration and financing, significant fluctuations in quarterly results, contracts, management of growth, dependence on key personnel, availability of qualified employees, unionized workforce, competition, recoverability of goodwill, potential exposure to environmental liabilities and anti-takeover measures.

On May 20, 2002, the Company and Aquila, Inc. (Aquila) announced that they reached an agreement for Aquila to terminate its proxy contest for control of Quanta's board of directors. Under the terms of the settlement, Aquila withdrew all pending litigation and arbitration against Quanta. The companies also agreed to a standstill whereby Aquila agreed not to purchase shares of Quanta's common stock on the open market, not to wage another proxy fight for control of Quanta and Quanta agreed to terminate the Stock Employee Compensation Trust (SECT). We recorded approximately $5.9 million and $10.5 million in proxy costs for the three and six months ended June 30, 2002 which are included in selling, general and administrative expenses.

Interim Condensed Consolidated Financial Information

These unaudited condensed consolidated financial statements have been prepared pursuant to the rules of the SEC. Certain information and footnote disclosures, normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States, have been condensed or omitted pursuant to those rules and regulations. The Company believes that the disclosures made are adequate to make the information presented not misleading. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly present the financial position, results of operations and cash flows with respect to the interim consolidated financial statements have been included. The results of operations for the interim periods are not necessarily indicative of the results for the entire fiscal year. The results of the Company have historically been subject to significant seasonal fluctuations.

It is suggested that these condensed consolidated financial statements be read in conjunction with the audited financial statements and notes thereto of Quanta Services, Inc. and subsidiaries included in the Company's Annual Report on Form 10-K, which was filed with the SEC on April 1, 2002.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist as of the date the financial statements are published and the reported amount of net revenues and expenses recognized during the periods presented. The Company reviews all significant estimates affecting its consolidated financial statements on a recurring basis and records the effect of any necessary adjustments prior to their publication. Judgments and estimates are based on the Company's beliefs and assumptions derived from information available at the time such judgments and estimates are made. Adjustments made with respect to the use of these estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements. Estimates are primarily used in the Company's assessment of the allowance for doubtful accounts, fair value assumptions

in analyzing goodwill impairment, revenue recognition under percentage-of-completion accounting and self-insured claims liabilities. The accompanying consolidated balance sheets include preliminary allocations of the respective purchase price paid for the companies acquired during the latest 12 months using the "purchase" method of accounting and, accordingly, are subject to final adjustment.

As of June 30, 2002, the Company has provided allowances for doubtful accounts of approximately $41.4 million. Certain of the Company's customers, several of them large public telecommunications carriers, have filed for bankruptcy in the quarter ended June 30, 2002 or have been experiencing financial difficulties. Also, a number of the Company's utility customers are experiencing financial difficulties in the current business climate. Should additional customers file for bankruptcy or continue to experience difficulties,

or should anticipated recoveries relating to receivables in existing bankruptcies or other workout situations fail to materialize, the Company could experience reduced cash flows and losses in excess of current allowances provided. In addition, material changes in our customers revenues or cash flows could affect our ability to collect amounts due from them.

2. PER SHARE INFORMATION:

Earnings (loss) per share amounts are based on the weighted average number of shares of common stock and common stock equivalents outstanding during the period. The weighted average number of shares used to compute basic and diluted earnings per share for the three and six months ended June 30, 2001 and 2002 is illustrated below (in thousands):

<Table>
<Caption>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
<S>	<C>	<C>	<C>	<C>
NET INCOME (LOSS):				
Net income (loss) attributable to common stock	$ 16,451	$ (177,429)	$ 45,522	$ (612,817)
Dividends on Preferred Stock	232	232	464	464
Net income (loss) for basic earnings per share	16,683	(177,197)	45,986	(612,353)
Effect of convertible subordinated notes under the "if converted" method -- interest expense addback, net of taxes	--	--	--	--
Net income (loss) for diluted earnings per share	$ 16,683	$ (177,197)	$ 45,986	$ (612,353)
WEIGHTED AVERAGE SHARES:				
Weighted average shares outstanding for basic earnings per share, including Convertible Preferred Stock	77,073	78,272	76,643	78,269
Effect of dilutive stock options	1,576	--	1,539	--
Effect of convertible subordinated notes under the "if converted" method -- weighted convertible shares	--	--	--	--
Weighted average shares outstanding for diluted earnings per share	78,649	78,272	78,182	78,269

</Table>

Pursuant to EITF Topic D-95, "Effect of Participating Convertible Securities on the Computation of Basic Earnings Per Share," the impact of the Series A Convertible Preferred Stock has been included in the computation of basic earnings per share. For the three and six months ended June 30, 2001, stock options of approximately 1.1 million were excluded from the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the Company's common stock. For the three and six months ended June 30, 2002, stock options of approximately 8.1 million and 7.9 million, respectively, were excluded from the computation of diluted earnings per share, as the effect would have been antidilutive. For the three and six months ended June 30, 2001 and June 30, 2002, the effect of assuming conversion of the convertible subordinated notes would be antidilutive and they were therefore excluded from the calculation of diluted earnings per share.

3. INCOME TAXES:

Certain of the businesses the Company has acquired were S corporations for

income tax purposes and, accordingly, any income tax liabilities for the periods prior to the acquisitions are the responsibility of the respective stockholders. Effective with the acquisitions, the S corporations converted to C corporations. Accordingly, an estimated deferred tax liability has been recorded to provide for the estimated future income tax liability as a result of the difference between the book and tax bases of the net assets of these former S corporations. For purposes of these consolidated financial statements, federal and state income taxes have been provided for the post-acquisition periods.

4. NEW ACCOUNTING PRONOUNCEMENTS:

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 requires that gains and losses from extinguishment of debt be classified as extraordinary items only if they meet the criteria in Accounting Principles Board Opinion No. 30 (Opinion No. 30). Applying the

provisions of Opinion No. 30 will distinguish transactions that are part of an entity's recurring operations from those that are unusual and infrequent and meet the criteria for classification as an extraordinary item. SFAS No. 145 is effective for the Company beginning January 1, 2003. Upon the adoption of SFAS No. 145, if the Company records any extraordinary items related to the extinguishment of debt, the Company will have to reclassify such items in its prior period statements of operations to conform to the presentation required by SFAS No. 145. Under SFAS No. 145, the Company will report gains and losses on the extinguishment of debt in pre-tax earnings rather than in extraordinary items.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities, such as restructurings, involuntarily terminating employees and consolidating facilities, initiated after December 31, 2002.

5. GOODWILL AND OTHER INTANGIBLES:

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which establishes new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS No. 142, all goodwill amortization ceased effective January 1, 2002.

Material amounts of recorded goodwill attributable to each of the Company's reporting units were tested for impairment by comparing the fair value of each reporting unit with its carrying value. Fair value was determined using a combination of the discounted cash flow, market multiple and market capitalization valuation approaches. These impairment tests are required to be performed at adoption of SFAS No. 142 and at least annually thereafter. Significant estimates used in the methodologies include estimates of future cash flows, future short-term and long-term growth rates, weighted average cost of capital and estimates of market multiples for each of the reportable units. On an ongoing basis (absent any impairment indicators), the Company expects to perform impairment tests annually during the fourth quarter after the annual budgeting process.

Based on the Company's transitional impairment test performed upon adoption of SFAS No. 142, it recognized a $488.5 million charge, ($445.4 million, net of tax) to reduce the carrying value of goodwill to the implied fair value of the Company's reporting units. This impairment is a result of adopting a fair value approach, under SFAS No. 142, to testing impairment of goodwill as compared to the previous method utilized, as permitted under accounting standards existing at that time, in which evaluations of goodwill impairment were made by the Company using estimated future undiscounted cash flows to determine if goodwill would be recoverable. Under SFAS No. 142, the impairment adjustment recognized at adoption of the new rules was reflected as a cumulative effect of change in accounting principle, net of tax, in the six months ended June 30, 2002.

The Company further recognized an interim non-cash goodwill impairment charge of approximately $166.6 million for the three months ended June 30, 2002. Impairment adjustments recognized after adoption are required to be recognized as operating expenses. The primary factor contributing to the interim impairment charge was the overall deterioration of the business climate during 2002 in the markets the Company serves as evidenced by an increased number of bankruptcies in the telecommunications industry, continued devaluation of several of our customers debt and equity securities and pricing pressures resulting from challenges faced by major industry participants. Fair value was determined using a combination of the discounted cash flow, market multiple and market capitalization valuation approaches.

A summary of changes in the Company's goodwill for the six months ended June 30, 2002 is as follows (in thousands):

<Table>
<S> <C>

Balance, January 1, 2002	$ 1,036,982
Acquisitions and adjustments	11,826
Transitional impairment	(488,472)
Interim impairment	(166,580)
Balance, June 30, 2002	$ 393,756

</Table>

The Company has also recorded an Other Intangible Asset of $2.1 million related to customer relationships. The weighted average life of this intangible is eight years and accumulated amortization as of June 30, 2002 was approximately $0.1 million. Estimated annual amortization expense for future periods is approximately $0.3 million.

The unaudited results of operations presented below for the three and six months ended June 30, 2002 and adjusted results of operations for the three and six months ended June 30, 2001, reflect the operations of the Company had the non-amortization provisions of SFAS No. 142 been adopted effective January 1, 2001 (in thousands):

<Table>
<Caption>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
<S>	<C>	<C>	<C>	<C>
Net income (loss) attributable to common stock	$ 16,451	$ (177,429)	$ 45,522	$ (612,817)
Addback: Cumulative effect of change in accounting principle, net of tax	--	--	--	445,422
Reported income (loss) before cumulative effect of change in accounting principle	16,451	(177,429)	45,522	(167,395)
Addback: Goodwill amortization, net of tax	5,570	--	10,918	--
Adjusted net income (loss) attributable to common stock before cumulative effect of change in accounting principle	$ 22,021	$ (177,429)	$ 56,440	$ (167,395)
Basic earnings (loss) per share before cumulative effect of change in accounting principle:				
Reported net income (loss) before cumulative effect of change in accounting principle	$ 0.21	$ (2.26)	$ 0.59	$ (2.13)
Goodwill amortization, net of tax	0.07	--	0.14	--
Adjusted net income (loss) before cumulative effect of change in accounting principle	$ 0.28	$ (2.26)	$ 0.73	$ (2.13)
Diluted earnings (loss) per share before cumulative effect of change in accounting principle:				
Reported net income (loss) attributable to common stock before cumulative effect of change in accounting principle	$ 0.21	$ (2.26)	$ 0.59	$

(2.13)

Goodwill amortization, net of tax	0.07	--	0.14	--
Adjusted net income (loss) attributable to common stock before cumulative effect of change in accounting principle	$ 0.28	$ (2.26)	$ 0.73	$ (2.13)

</Table>

6. DEBT:

Credit Facility

The Company has a credit facility with 14 participating banks which matures on June 14, 2004. As of June 30, 2002, the commitment level of the banks was $350.0 million. The credit facility is secured by a pledge of all of the capital stock of the Company's subsidiaries and the majority of the Company's assets and is to provide funds to be used for working capital and for other general corporate purposes. The Company's subsidiaries guarantee the repayment of all amounts due under the facility and the facility restricts pledges on all material assets. As of June 30, 2002, amounts borrowed under the credit facility bore interest at a rate equal to either (a) the London Interbank Offered Rate (the 30 day LIBOR rate was 1.88% at June 30, 2002) plus 1.00% to 2.00%, as determined by the ratio of the Company's total funded debt to EBITDA (as defined in the credit facility) or (b) the bank's prime rate (which was 4.75% at June 30, 2002) plus up to 0.25%, as determined by the ratio of the Company's total funded debt to EBITDA. Commitment fees of 0.25% to 0.50%, based on the Company's total funded debt to EBITDA, were due on any unused borrowing capacity under the credit facility. The credit facility contained usual and customary covenants for a credit facility of its nature, including the prohibition of the payment of dividends on common stock, certain financial ratios and indebtedness covenants and the consent of the lenders for acquisitions exceeding a certain level of cash consideration. As of June 30, 2002, $123.0 million was borrowed under the credit facility, and the Company had $62.3 million of letters of credit outstanding, resulting in a borrowing availability of $164.7 million under the credit facility.

On August 12, 2002, the Company amended the credit facility. As of August 12, 2002, the commitment of the banks under the credit facility was reduced to $275.0 million. The commitment will remain in effect at $275.0 million through March 31, 2003, then reduce to $250.0 million and remain in effect at such amount through December 31, 2003. Effective January 1, 2004, the credit facility will reduce to $225.0 million and remain in effect at such amount through the remainder of the term of the credit facility, which matures on June 14, 2004. Amounts borrowed under the credit facility will bear interest at a rate equal to either (a) LIBOR plus 1.50% to 3.50%, as determined by the ratio of the Company's total funded debt to EBITDA or (b) the bank's prime rate plus up to 2.00%, as determined by the ratio of the Company's total funded debt to EBITDA. Commitment fees of 0.375% to 0.50%, based the Company's total funded debt to EBITDA, are due on any unused borrowing capacity under the credit facility. The amended credit

facility is less restrictive with respect to certain financial ratios and indebtedness covenants, including the maximum funded debt to EBITDA, maximum senior debt to EBITDA and minimum interest coverage ratios. However, the amendment is more restrictive with respect to the Company's capital expenditures and asset sales, prohibits any stock repurchase programs or acquisitions, and requires a mandatory reduction in the banks' commitment by a portion of the proceeds from asset sales or upon the issuance of additional debt in excess of $15.0 million. As of August 9, 2002, we had approximately $131.9 million in outstanding borrowings under the credit facility and $62.3 million of letters of credit outstanding, resulting in a borrowing availability of $80.8 million under the credit facility, as amended.

Senior Secured Notes

In 2000, the Company closed a private placement of $210.0 million principal amount of senior secured notes primarily with insurance companies. The senior secured notes have maturities ranging from three to eight years and, as of June 30, 2002, had a weighted average interest rate of 8.41%. On August 12, 2002, the Company amended the senior secured notes. The senior secured notes, as amended, have financial covenants and restrictions substantially identical to the credit facility and a weighted average interest rate of 9.91%. The amendment also requires a mandatory prepayment of a portion of the proceeds of any asset sales or upon the issuance of additional debt in excess of $15.0 million. In addition, the senior secured notes carry a make-whole provision customary for this type of debt instrument on prepayment of principal, including any mandatory prepayments.

Pursuant to an intercreditor agreement, the senior secured notes rank equally in right of repayment with indebtedness under the Company's credit facility.

In connection with the amendments of both the credit facility and the senior secured notes completed in August 2002, the Company incurred additional debt issuance costs estimated at approximately $3.5 million. The Company will account for these costs in accordance with EITF 98-14 for the credit facility and EITF 96-19 for the senior secured notes. Accordingly, a majority of these costs will be capitalized and amortized over the remaining term of the respective agreements, as amended. As a result of the amendment decreasing the commitment amount of the credit facility, in accordance with EITF 98-14, the Company will be expensing a portion of the unamortized debt issuance costs as interest expense in the third quarter of 2002.

The Company has specifically provided for non-cash goodwill impairment charges of up to $800 million in its credit facility and senior secured notes resulting from the adoption of SFAS No. 142. Goodwill impairment charges do not violate any covenants in the Company's convertible subordinated notes.

Convertible Subordinated Notes

During the third quarter of 2000, the Company issued $172.5 million principal amount of convertible subordinated notes. The convertible subordinated notes bear interest at 4.0% per year and are convertible into shares of the Company's common stock at a price of $54.53 per share. The convertible subordinated notes require semi-annual interest payments beginning December 31, 2000, until the notes mature on July 1, 2007. The Company has the option to redeem the notes beginning July 3, 2003; however, redemption is currently prohibited by the Company's credit facility and senior secured notes.

7. STOCKHOLDERS' EQUITY:

Series A Convertible Preferred Stock

In September 1999, the Company entered into a securities purchase agreement with Aquila pursuant to which the Company issued 1,860,000 shares of Series A Convertible Preferred Stock, $.00001 par value per share, for an initial investment of $186.0 million, before transaction costs. In September 2000, Aquila converted 7,924,805 shares of common stock into an additional 1,584,961 shares of Series A Convertible Preferred Stock at a rate of one share of Series A Convertible Preferred Stock for five shares of common stock. The holders of the Series A Convertible Preferred Stock are entitled to receive dividends in cash at a rate of 0.5% per annum on an amount equal to $53.99 per share, plus all unpaid dividends accrued. In addition to the preferred dividend, the holders are entitled to participate in any cash or non-cash dividends or distributions declared and paid on the shares of common stock, as if each share of Series A Convertible Preferred Stock had been converted into common stock at the applicable conversion price immediately prior to the record date for payment of such dividends or distributions. However, holders of Series A Convertible Preferred Stock will not participate in non-cash dividends or distributions if such dividends or distributions cause an adjustment in the price at which Series A Convertible Preferred Stock converts into common stock. At any time after the sixth anniversary of the issuance of the Series A Convertible Preferred Stock, if the closing price per share of the Company's common stock is greater than $20.00, then the Company may terminate the preferred dividend. At any time after the sixth anniversary of the issuance of the Series A Convertible Preferred Stock, if the closing price per share of the Company's common stock is equal to or less than $20.00, then the preferred dividend may, at the option of Aquila, be adjusted to the then "market coupon rate," which shall equal the Company's after-tax cost of obtaining financing, excluding common stock, to replace Aquila's investment in the Company.

Aquila is entitled to that number of votes equal to the number of shares of common stock into which the outstanding shares of Series A Convertible Preferred Stock are then convertible on any matter voted on by the holders of common stock. Subject to certain limitations, Aquila is entitled to elect up to three of the total number of directors of the Company. All or any portion of the outstanding shares of Series A Convertible Preferred Stock may, at the option of Aquila, be converted at any time into fully paid and non-assessable

shares of common stock. The conversion price currently is $20.00, yielding 17,224,805 shares of common stock upon conversion of all outstanding shares of Series A Convertible Preferred Stock. The conversion price may be adjusted under certain circumstances.

Stockholder Rights Plan

On March 8, 2000, the board of directors of the Company adopted a Stockholder Rights Plan. On November 15, 2001, the board of directors amended the Stockholder Rights Plan and on November 18, 2001 and December 1, 2001, the board of directors ratified such amendments to the Stockholder Rights Plan.

Under the Stockholder Rights Plan, a dividend of one Preferred Stock Purchase Right (the Rights) was declared on each outstanding share of the Company's common stock and Series A Convertible Preferred Stock (on an as-converted basis) for holders of record as of the close of business on March 27, 2000. The Rights also attach to all common stock and Series A Convertible Preferred Stock issued after March 27, 2000. No separate certificates evidencing the Rights will be issued unless and until they become exercisable. Each Right has an initial exercise price of $153.33. The Rights will be exercisable if a person or group (other than Aquila) becomes the beneficial owner of, or tenders for, 15% or more of the Company's common shares. The Rights also will be exercisable if Aquila, together with any affiliates or associates, becomes the beneficial owner of, or tenders for more than 39.0% of the outstanding shares of the Company's common stock on an as-converted basis, or if there is a change of control of Aquila. Upon a "Flip-In Event" as defined in the Stockholder Rights Plan, the Rights issued pursuant to the Stockholder Rights Plan would be exercisable for Series B Junior Participating Preferred Stock of the Company at a discount. In addition, the Rights held by an "Acquiring Person" as defined in the Stockholder Rights Plan will become exercisable upon a Flip-In Event for Series C Junior Convertible Preferred Stock. The Rights will expire in ten years.

On February 12, 2002, the board of directors further amended the Stockholder Rights Plan to provide that only outstanding shares of the Company's common stock and Series A Convertible Preferred Stock are to be counted in calculating the number of shares that Aquila could acquire while remaining an exempt person under the Stockholder Rights Plan. As amended, the Stockholder Rights Plan permits Aquila to beneficially own up to 39.0% of the outstanding shares of the Company's common stock (assuming conversion of all outstanding shares of the Company's Series A Convertible Preferred Stock) or such greater percentage as it may own as of the earlier of notice to Aquila of, or public announcement of, the February 2002 amendment.

On March 13, 2002, the board of directors further amended the Stockholder Rights Plan to render the Rights inapplicable to an offer for all outstanding shares of the Company's common stock in a manner that treats all stockholders equally if upon completion of the offer, the offeror owns shares of the Company's voting stock representing 75% or more of the then outstanding voting stock. The Stockholder Rights Plan as so amended would also require the bidder to commit irrevocably to purchase all shares not tendered at the same price paid to the tendering stockholders.

As part of the settlement of the proxy contest with Aquila, the Company agreed with Aquila to amend and restate the Stockholder Rights Plan (or to adopt a new rights plan) so that the Rights will become exercisable if a person or group (other than Aquila) becomes the beneficial owner of 15% of the voting power of the Company's capital stock, or if Aquila's beneficial ownership level in the Company increases from its level of beneficial ownership as of May 20, 2002.

Restricted Stock

Under the 2001 Stock Incentive Plan, 72,701 shares of the Company's common stock were issued in 2001 at a price of $27.51 per share, which reflected the fair market value of the common stock at the date of issuance. The shares of common stock issued pursuant to the 2001 Stock Incentive Plan are subject to restrictions on transfer and certain other conditions. During the restriction period, the plan participants are entitled to vote and receive dividends on such shares.

Upon issuance of the 72,701 shares of the Company's common stock pursuant to the 2001 Stock Incentive Plan, an unamortized compensation expense equivalent to the market value of the shares on the date of grant was charged to stockholders' equity and will be amortized over the six year restriction period. The compensation expense taken with respect to the restricted shares during the three and six months ended June 30, 2002 was approximately $62,000 and $125,000, respectively.

Stock Employee Compensation Trust

On March 13, 2002, the Company's board of directors approved the creation of a SECT, to fund certain of the Company's future employee benefit obligations using the Company's common stock. The SECT was established by selling 8.0 million shares of the Company's common stock, including the 986,000 shares of treasury stock the Company purchased in 2001 pursuant to the Company's

Stock Repurchase Plan, to the SECT in exchange for a promissory note plus an amount in cash equal to the aggregate par value of the shares. As part of the settlement of the proxy contest with Aquila, on May 20, 2002, the Company terminated the SECT and repurchased the 7,911,069 shares of common stock remaining in the SECT by canceling the promissory note. The 7,911,069 shares were transferred into treasury stock on May 21, 2002, and were retired on June 28, 2002.

Treasury Stock

The board of directors of the Company authorized a Stock Repurchase Plan under which up to $75.0 million of the Company's common stock could be repurchased. Under the Stock Repurchase Plan, the Company could conduct purchases through open market transactions in accordance with applicable securities laws. During the second quarter of 2002, the Company purchased 924,500 shares of its common stock for approximately $11.8 million under the Stock Repurchase Plan. As of July 1, 2002, the independent committee of Quanta's board of directors determined to cease the Stock Repurchase Plan. As a result of the credit facility and senior secured notes amendments, any further stock repurchases are prohibited.

8. SEGMENT INFORMATION:

The Company operates in one reportable segment as a specialty contractor. The Company provides comprehensive network solutions to the electric power, gas, telecommunications and cable television industries, including designing, installing, repairing and maintaining network infrastructure. Each of these services is provided by various Company subsidiaries and discrete financial information is not provided to management at the service level. The following table presents information regarding revenues derived from the industries noted above.

<Table>
<Caption>

	SIX MONTHS ENDED JUNE 30,	
	2001	2002
	(IN THOUSANDS)	
<S>	<C>	<C>
Electric power network services	$ 379,296	$ 455,861
Telecommunications network services	343,513	146,369
Cable television network services	133,929	108,454
Ancillary services	165,622	171,058
	$ 1,022,360	$ 881,742

</Table>

The Company does not have significant operations or long-lived assets in countries outside of the United States.

9. RELATED PARTY TRANSACTIONS:

In September 1999, the Company entered into a strategic alliance agreement with Aquila. Under the terms of the strategic alliance agreement, Aquila will use the Company, subject to the Company's ability to perform the required services, as a preferred contractor in outsourced transmission and distribution infrastructure installation and maintenance and natural gas distribution, installation and maintenance in all areas serviced by Aquila, provided that the Company provides such services at a competitive cost. The strategic alliance agreement has a term of six years.

10. COMMITMENTS AND CONTINGENCIES:

Litigation

On December 21, 2001, a purported stockholder of Quanta filed a putative class action and derivative complaint against directors Vincent D. Foster, Jerry J. Langdon, Louis C. Golm, James R. Ball, John R. Colson, John R. Wilson and Gary A. Tucci. The complaint also named Quanta as a nominal defendant. The complaint alleged that the named directors breached their fiduciary duties by taking certain actions, including the Stockholder Rights Plan amendment, in response to the announcement by Aquila that it intended to acquire control of Quanta through open market purchases of the Company's shares. The complaint sought an order rescinding any actions taken by the named directors in response to the announcement by Aquila and requiring the directors to take steps necessary to maximize the value of Quanta. The complaint further sought damages from the named directors on behalf of a class of stockholders and purportedly on behalf of Quanta for the alleged harm inflicted by the actions of the named directors. On January 22, 2002, Quanta and the named directors filed a motion to dismiss the stockholder complaint. There has been no activity since January 2002. Although the ultimate outcome and liability, if any, cannot be determined, management, after consultation and review with counsel, believes that the facts do not support the plaintiff's claims and that the Company and the named directors have meritorious defenses.

On March 21, 2002, Aquila filed a complaint in the Delaware Court of Chancery naming Quanta and each member of the special committee of the Company's board of directors, consisting of all directors other than those designated by Aquila, as defendants. The Aquila complaint alleged that the special committee breached its fiduciary duty in connection with the March 13, 2002 adoption of the Company's SECT and the new employment agreements entered into with certain of the Company's employees and that under Delaware statutory law the shares sold to the SECT were not entitled to vote. As part of the settlement of Aquila's proxy contest, this lawsuit was dismissed with prejudice.

In addition, certain subsidiaries of the Company are involved in disputes or legal actions arising in the ordinary course of business. Management does not believe the outcome of such legal actions will have a material adverse effect on the Company's financial position or results of operations.

Self-Insurance

The Company is insured for workers' compensation, employer's liability, auto liability and general liability claims, subject to a deductible, as of June 30, 2002, of $500,000 per accident or occurrence. On August 1, 2002, upon renewal of the Company's policies, the deductible was increased to $1,000,000 per occurrence. In addition, effective January 1, 2002, the Company consolidated the various non-union employee related health care benefits plans that existed at certain of its subsidiaries into one corporate plan that is subject to a deductible of $250,000 per claimant per year. Losses up to the deductible amounts are accrued based upon the Company's estimates of the ultimate liability for claims incurred and an estimate of claims incurred but not reported. The accruals are based upon known facts and historical trends and management believes such accruals to be adequate. At December 31, 2001 and June 30, 2002, the amounts accrued for self-insured claims were $28.3 million and $39.6 million, respectively, with $14.7 million and $24.4 million, respectively, considered to be long-term and included in Other Non-Current Liabilities.

Derivatives

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, was effective for the Company on January 1, 2001. These statements establish accounting and reporting standards requiring that all derivative instruments be recorded as either assets or liabilities measured at fair value. These statements also require that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

In October 2001, the Company entered into a forward purchase contract (Contract A) with settlements through 2006, in order to secure pricing on anticipated gas requirements related to a project in process at December 31, 2001 that was substantially complete at March 31, 2002. The objective was to mitigate the variability in the price of natural gas by securing the price the Company will have to pay the Contract A counterparty. On March 29, 2002, the Company entered into a sub-services agreement with one of its customers (the Counterparty Contract) whereby the customer assumed all obligations associated with Contract A. If the customer is unable to fulfill its obligations under the Counterparty Contract, the Company will be responsible for settling the obligations of Contract A. As of June 30, 2002, the fair value of Contract A and the Counterparty Contract was a receivable of $1.2 million and a payable of $1.2 million, respectively.

In April 2002, the Company entered into another forward purchase contract (Contract B) with settlements through March 2003, in order to secure pricing on anticipated gas requirements related to a project in process at June 30, 2002. The objective was to mitigate the variability in the price of natural gas by securing the price the Company will have to pay the Contract B counterparty. As of June 30, 2002, the fair value of Contract B was $354,000.

Performance Bonds

In certain circumstances, the Company is required to provide performance bonds in connection with its contractual commitments.

Contingent Consideration

The Company is subject to an agreement with the former owners of an operating unit that was acquired in 2000. Under the terms of this agreement, and depending upon the ultimate profitability of certain contracts obtained by the operating unit, the Company may be required to pay additional consideration to such former owners with a combination of common stock and cash. At June 30, 2002, the amount of additional consideration based on performance to date was approximately $16.9 million. This amount could be adjusted significantly higher or lower over the term of the agreement.

OF OPERATIONS

INTRODUCTION

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K, which was filed with the SEC on April 1, 2002, which is available at the SEC's Web site at www.sec.gov.

We derive our revenues from one reportable segment by providing specialized contracting services and offering comprehensive network solutions. Our customers include electric power, gas, telecommunications and cable television companies, as well as commercial, industrial and governmental entities.

We enter into contracts principally on the basis of competitive unit price or fixed price bids, the final terms and prices of which we frequently negotiate with the customer. Although the terms of our contracts vary considerably, most are made on either a unit price or fixed price basis in which we agree to do the work for a price per unit of work performed (unit price) or for a fixed amount for the entire project (fixed price). We also perform services on a cost-plus or time and materials basis. We complete most installation projects within one year, while we frequently provide maintenance and repair work under open-ended, unit price master service agreements which are renewable annually. We generally recognize revenue when services are performed except when work is being performed under fixed price contracts. We typically record revenues from fixed price contracts on a percentage-of-completion basis, using the cost-to-cost method based on the percentage of total costs incurred to date in proportion to total estimated costs to complete the contract. Some of our customers require us to post performance and payment bonds upon execution of the contract, depending upon the nature of the work to be performed. Our fixed price contracts often include payment provisions pursuant to which the customer withholds a 5% to 10% retainage from each progress payment and remits the retainage to us upon completion and approval of the work.

Cost of services consists primarily of salaries, wages and benefits to employees, depreciation, fuel and other vehicle expenses, equipment rentals, subcontracted services, insurance, facilities expenses, materials and parts and supplies. Our gross margin, which is gross profit expressed as a percentage of revenues, is typically higher on projects where labor, rather than materials, constitutes a greater portion of the cost of services. We can predict materials costs more accurately than labor costs. Therefore, to compensate for the potential variability of labor costs, we seek to maintain higher margins on our labor-intensive projects. As of June 30, 2002, we had a deductible of $500,000 per accident or occurrence related to workers' compensation, employer's liability, automobile and general liability claims. On August 1, 2002, upon renewal of our policies, the deductible was increased to $1,000,000 per occurrence. In addition, effective January 1, 2002, we consolidated the various non-union employee related health care benefits plans that existed at certain of our subsidiaries into one corporate plan that is subject to a deductible of $250,000 per claimant per year. Fluctuations in insurance accruals related to these deductibles could have an impact on operating margins in the period in which such adjustments are made.

Selling, general and administrative expenses consist primarily of compensation and related benefits to management, administrative salaries and benefits, marketing, office rent and utilities, communications, professional fees and bad debt expense. Selling, general and administrative expenses can be impacted by our customers' inability to pay for services performed.

SIGNIFICANT BALANCE SHEET CHANGES

Total assets decreased approximately $636.3 million as of June 30, 2002 compared to December 31, 2001. This decrease is primarily due to the following:

- Goodwill and other intangibles, net decreased $641.3 million due to impairments of goodwill pursuant to Statement of Financial Accounting Standard (SFAS) No. 142, "Goodwill and Other Intangible Assets," which requires goodwill to be tested for impairment by comparing the fair value of each subsidiary with its carrying value.

- Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts decreased $30.3 million primarily due to lower levels of revenue during the first six months of 2002, collections on accounts that were outstanding at December 31, 2001 and an increase of $5.6 million in the allowance for doubtful accounts to reserve for certain customers that have declared bankruptcy during 2002.

- Inventories increased $6.1 million due primarily to $5.0 million paid for deposits for turbines to be used in future projects, and $1.1 million due to the purchase of cable to perform work on master service

contracts.

- Property and equipment, net increased $4.3 million due to expenditures for equipment necessary to perform contracts and equipment obtained through the acquisition of two companies during the first six months of 2002, offset by depreciation expense recorded during the period.

- Other assets, net increased $22.2 million due primarily to notes receivable from one of our customers. We have agreed to long-term payment terms until this customer is able to secure alternative financing. The receivables are partially secured and bear interest at 9% per year. At June 30, 2002, the total amount due under these arrangements was $45.6 million, with $40.6 million classified as non-current.

As of June 30, 2002, total liabilities decreased approximately $21.7 million and stockholders' equity decreased approximately $614.6 million. These fluctuations were primarily due to the following:

- Deferred income taxes and other non-current liabilities decreased $33.9 million primarily as a result of the recording of a deferred tax asset for the tax benefit related to the impairments of goodwill pursuant to SFAS No. 142, partially offset by increases in the long-term portion of self-insurance reserves.

- Long-term debt, net of current maturities increased $10.9 million due primarily to borrowings made against our credit facility for the purchase of two companies during the first six months of 2002.

- Stockholders' equity decreased $614.6 million during the first six months of 2002. This was primarily the result of a net loss attributable to common stock of $612.8 million associated with the impairments of goodwill recorded pursuant to SFAS No. 142 and the purchase of approximately $11.8 million of treasury stock under the Company's Stock Repurchase Plan, partially offset by the issuance of approximately $3.7 million in shares of common stock pursuant to the employee stock purchase plan and the acquisition of two companies which resulted in increased additional paid in capital of $3.4 million.

RESULTS OF OPERATIONS

The following table sets forth selected unaudited statements of operations data and such data as a percentage of revenues for the periods indicated:

<Table>
<Caption>

	THREE MONTHS ENDED JUNE 30,				SIX MONTHS ENDED JUNE 30,			
	2001		2002		2001		2002	
	(DOLLARS IN THOUSANDS)				(DOLLARS IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues	$ 503,342	100.0%	$ 432,522	100.0%	$1,022,360	100.0%	$ 881,742	100.0%
Cost of services (including depreciation)	392,588	78.0	384,362	88.9	802,654	78.5	757,895	86.0
Gross profit	110,754	22.0	48,160	11.1	219,706	21.5	123,847	14.0
Selling, general and administrative expenses	60,495	12.0	59,489	13.7	102,528	10.0	110,209	12.5
Goodwill impairment	--	0.0	166,580	38.5	--	0.0	166,580	18.8
Goodwill amortization	6,553	1.3	--	0.0	12,857	1.3	--	0.0
Income (loss) from operations	43,706	8.7	(177,909)	(41.1)	104,321	10.2	(152,942)	(17.3)
Interest expense	(9,138)	(1.8)	(8,035)	(1.9)	(18,366)	(1.8)	(15,889)	(1.8)

Other income, net	(581)	(0.1)	1,183	0.3	(559)	0.0	1,618	0.2
Income (loss) before income tax provision (benefit) and cumulative effect of change in accounting principle	33,987	6.8	(184,761)	(42.7)	85,396	8.4	(167,213)	(18.9)
Provision (benefit) for income taxes ...	17,304	3.5	(7,564)	1.7	39,410	3.9	(282)	(0.0)
Income (loss) before cumulative effect of change in accounting principle	16,683	3.3	(177,197)	(41.0)	45,986	4.5	(166,931)	(18.9)
Cumulative effect of change in accounting principle, net of tax	--	0.0	--	0.0	--	0.0	445,422	50.5
Net income (loss)	$ 16,683	3.3%	$(177,197)	(41.0)%	$ 45,986	4.5%	$(612,353)	(69.4)%

</Table>

THREE AND SIX MONTHS ENDED JUNE 30, 2002, COMPARED TO THE THREE AND SIX MONTHS ENDED JUNE 30, 2001.

Revenues. Revenues decreased $70.8 million and $140.6 million or, 14.1% and 13.8%, to $432.5 million and $881.7 million for the three and six months ended June 30, 2002. The decrease was attributable to lower revenues, primarily from telecommunications and cable customers, due in part to the continued decrease in capital spending by our customers, the inability of certain of these customers to raise new capital, bankruptcies of certain customers and the overall downturn in the national economy, which have negatively impacted the award of work to specialty contractors. This decrease was partially offset by a full period of contributed revenues for the three and six months ended June 30, 2002 for those companies acquired during 2001.

Gross profit. Gross profit decreased $62.6 million and $95.9 million, or 56.5% and 43.6%, to $48.2 million and $123.8 million for the three and six months ended June 30, 2002. As a percentage of revenues, gross margin decreased from 22.0% for the three months ended June 30, 2001, to 11.1% for the three months ended June 30, 2002. This decrease in gross margin resulted primarily from declining volumes due to economic factors noted above, significantly lower margins on work performed due to increased pricing pressures and lower asset utilization. Gross margin decreased from 21.5% for the six months ended June 30, 2001, to 14.0% for the six months ended June 30, 2002. The decrease in gross margins for the six months ended June 30, 2002, resulted from the factors noted above for the three months ended June 30, 2002, and higher than normal transition costs on one telecommunications outsourcing contract.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased $1.0 million and increased $7.7 million, or 1.7% and 7.5%, to $59.5 million and $110.2 million for the three and six months ended June 30, 2002. During the three months ended June 30, 2002, we recorded $8.4 million in bad debt expense and $5.9 million in additional proxy costs. During the three months ended June 30, 2001, we recorded $19.4 million in charges including $16.2 million in bad debt expense and $3.2 million in charges associated with the realignment of field personnel and discontinuance of negotiations regarding certain acquisitions. Absent the charges discussed above, selling, general and administrative expenses for the three months ended June 30, 2002 increased approximately $4.1 million, primarily due to the inclusion of a full three months of costs associated with companies acquired after June 2001, higher professional fees due to increased collection efforts on troubled accounts and higher advertising and travel costs associated with increased marketing efforts. For the six months ended June 30, 2002, selling, general and administrative expenses increased due to the impact of the costs previously described and proxy costs incurred in the first quarter of 2002 of $4.6 million.

Goodwill impairment. During the second quarter of 2002, we recognized an interim non-cash SFAS No. 142 goodwill impairment charge of $166.6 million. Any interim impairment adjustments recognized after adoption are required to be recognized as operating expenses. The primary factor contributing to the interim impairment charge was the overall deterioration of the business climate during 2002 in the markets we serve.

Interest expense. Interest expense decreased $1.1 million and $2.5 million, or 12.1% and 13.5%, to $8.0 million and $15.9 million, for the three and six months ended June 30, 2002, due to lower average levels of debt outstanding under the credit facility for the three and six months ended June 30, 2002 and lower average interest rates.

Provision (benefit) for income taxes. The benefit for income taxes was $7.6 million and $0.3 million for the three and six months ended, June 30, 2002, with an effective tax rate of (4.1%) and 0.2%, respectively, compared to a provision of $17.3 million and $39.4 million for the three and six months ended June 30, 2001, with effective tax rates of 50.9% and 46.1%, respectively. The lower tax rate in 2002 reflects the elimination of goodwill amortization expense according to the current accounting standard, the majority of which had been non-deductible in 2001. Our 2002 annual tax rate is expected to be approximately 0.0% due to the net realizable benefit relating to the goodwill impairment charge offset by tax expense on permanent differences.

Cumulative effect of change in accounting principle, net of tax. Based on our transitional impairment test performed upon adoption of SFAS No. 142, we recognized a charge, net of tax, of $445.4 million to reduce the carrying value of the goodwill of our reporting units to its implied fair value. Under SFAS No. 142, the impairment adjustment recognized at adoption of the new rule was reflected as a cumulative effect of change in accounting principle in the six months ended June 30, 2002.

Net Income (loss). Net income decreased $193.9 million and $658.3 million to net losses of $177.2 million and $612.4 million for the three and six months ended June 30, 2002, compared to net income of $16.7 million and $46.0 million for the three and six months ended June 30, 2001, primarily due to impairments of goodwill recorded pursuant to SFAS No. 142 and decreased gross profit as described above.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2002, we had cash and cash equivalents of $4.6 million, working capital of $312.8 million and long-term debt of $511.2 million, net of current maturities. Our long-term debt balance at that date included borrowings of $123.0 million under our credit facility, $210.0 million of senior secured notes, $172.5 million of convertible subordinated notes and $5.7 million of other debt. In addition, we had $62.3 million of letters of credit outstanding under the credit facility.

During the six months ended June 30, 2002, operating activities provided net cash flow of $52.8 million. We used net cash in investing activities of $56.8 million, including $33.4 million used for capital expenditures, $8.0 million used for the purchase of two businesses, net of cash acquired, and $17.2 million in additional notes receivable issued during the six months. Financing activities provided a net cash flow of $2.3 million, resulting primarily from $13.7 million of borrowings under our credit facility, partially offset by $11.8 million from the purchase of common stock under the Stock Repurchase Plan.

On August 12, 2002, we amended our credit facility. As of August 12, 2002, the commitment of the banks under the credit facility was reduced to $275.0 million. The commitment will remain in effect at $275.0 million through March 31, 2003, then reduce to $250.0 million and remain in effect at such amount through December 31, 2003. Effective January 1, 2004, the credit facility will reduce to $225.0 million and remain in effect at such amount through the remainder of the term of the credit facility, which matures on June 14, 2004. Amounts borrowed under the credit facility will bear interest at a rate equal to either (a) LIBOR plus 1.50% to 3.50%, as determined by the ratio of our total funded debt to EBITDA or (b) the bank's prime rate plus up to 2.00%, as determined by the ratio of our total funded debt to EBITDA. Commitment fees of 0.375% to 0.50%, based on our total funded debt to EBITDA, are due on any unused borrowing capacity under the credit facility. The amended credit facility is less restrictive with respect to certain financial ratios and indebtedness covenants, including the maximum funded debt to EBITDA, maximum senior debt to EBITDA and minimum interest coverage. However, the amendment is more restrictive with respect to our capital expenditures and asset sales, prohibits any stock repurchase programs or acquisitions, and requires mandatory reduction in the banks' commitment by a portion of the proceeds from asset sales or upon the issuance of additional debt in excess of $15.0 million. As of August 9, 2002, we had approximately $131.9 million in outstanding borrowings under the credit facility and $62.3 million of letters of credit outstanding, resulting in a borrowing availability of $80.8 million under the credit facility, as amended. Our current borrowing rate is LIBOR plus 3.50%.

As of June 30, 2002, we had $210.0 million of senior secured notes which have maturities ranging from three to eight years with a weighted average interest rate of 8.41%. On August 12, 2002, we amended the senior secured notes. The senior secured notes, as amended, have financial covenants and restrictions substantially identical to those under the credit facility and a weighted average interest rate of 9.91%. The amendment also requires a mandatory prepayment of a portion of the proceeds of any asset sales or upon the issuance of additional debt in excess of $15.0 million. In addition, the senior secured

notes carry a make-whole provision customary for this type of debt instrument on prepayment of principal, including, any mandatory prepayments. Pursuant to an intercreditor agreement, the senior secured notes rank equally in right of repayment with indebtedness under our credit facility.

In connection with the amendments of both the credit facility and the senior secured notes in August 2002, we incurred additional debt issuance costs estimated at approximately $3.5 million. We will account for these costs in accordance with EITF 98-14 for the credit facility and EITF 96-19 for the senior secured notes. Accordingly, a majority of these costs will be capitalized and amortized over the remaining term of the respective agreements, as amended. As a result of the amendment decreasing the commitment amount of the credit facility, in accordance with EITF 98-14, we will be expensing a portion of the unamortized debt issuance costs as interest expense in the third quarter of 2002.

As of June 30, 2002, we had $172.5 million in convertible subordinated notes that bear interest at 4.0% per year and are convertible into shares of our common stock at a price of $54.53 per share, subject to adjustment as a result of certain events. The convertible subordinated notes require semi-annual interest payments until the notes mature on July 1, 2007. We have the option to redeem some or all of the convertible subordinated notes beginning July 3, 2003 at specified redemption prices, together with accrued and unpaid interest. If certain fundamental changes occur, as described in the indenture under which we issued the convertible subordinated notes, holders of the convertible subordinated notes may require us to purchase all or part of their notes at a purchase price equal to 100% of the principle amount, plus accrued and unpaid interest.

We anticipate that our cash flow from operations and our credit facility will provide sufficient cash to enable us to meet our working capital needs, debt service requirements and planned capital expenditures for property and equipment for at least the next 12 months. However, further deterioration in the markets we serve, coupled with the lowered capacity under our credit facility, may negatively impact our ability to meet such needs.

We have specifically provided for non-cash goodwill impairment charges up to $800 million in our credit facility and senior secured notes resulting from the adoption of SFAS No. 142. Goodwill impairment charges do not violate any covenants in our convertible subordinated notes.

Other Commitments. As is common in our industry, we have entered into certain off-balance sheet arrangements in the ordinary course of business that result in risks not directly reflected in our balance sheets. Our significant off-balance sheet transactions include liabilities associated with non-cancelable operating leases, letter of credit obligations and surety guarantees. We have not engaged in any off-balance sheet financing arrangements through special purpose entities.

We enter into non-cancelable operating leases for many of our facility, vehicle and equipment needs. These leases allow us to conserve cash by paying a monthly lease rental fee for use of facilities, vehicles and equipment rather than purchasing them. At the end of the lease, we have no further obligation to the lessor. We may decide to cancel or terminate a lease before the end of its term. Typically we are liable to the lessor for the remaining lease payments under the term of the lease.

Some customers require us to post letters of credit to guarantee performance under our contracts and to ensure payment to our subcontractors and vendors under those contracts. Certain of our vendors also require letters of credit to ensure reimbursement for amounts they are disbursing on behalf of us, such as to beneficiaries under our self-funded insurance programs. Such letters of credit are generally issued by a bank or similar financial institution. The letter of credit commits the issuer to pay specified amounts to the holder of the letter of credit if the holder demonstrates that we have failed to perform specified actions. If this were to occur, we would be required to reimburse the issuer of the letter of credit. Depending on the circumstances of such a reimbursement, we may also have to record a charge to earnings for the reimbursement. To date, we have not had a claim made against a letter of credit that resulted in payments by the issuer of the letter of credit or by us and do not believe that it is likely that any claims will be made under a letter of credit in the foreseeable future.

Many customers, particularly in connection with new construction, require us to post performance and payment bonds issued by a financial institution known as a surety. These bonds provide a guarantee to the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. If we fail to perform under a contract or to pay subcontractors and vendors, the customer may demand that the surety make payments or provide services under the bond. We must reimburse the surety for any expenses or outlays it incurs. To date, we have not had any significant reimbursements to our surety for bond-related costs. We believe that it is unlikely that we will have to fund

significant claims under our surety arrangements in the foreseeable future.

Our future contractual obligations, including interest under capital leases, are as follows (in thousands):

<Table>
<Caption>

	TOTAL	2002	2003	2004	2005	2006	THEREAFTER
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Long-term debt obligations including capital leases	$518,804	$ 5,059	$ 5,342	$124,896	$103,811	$ 5,196	$274,500
Operating lease obligations ...	$ 55,891	$ 16,839	$ 16,427	$ 9,124	$ 7,241	$ 3,347	$ 2,913

</Table>

We also had $62.3 million in letters of credit outstanding under our credit facility primarily to secure obligations under our casualty insurance program at June 30, 2002. While not actual borrowings, letters of credit do reflect potential liabilities under our credit facility and therefore are treated as a use of borrowing capacity under our credit facility. These are irrevocable stand-by letters of credit with maturities expiring at various times throughout 2002. Upon maturity, it is expected that the majority of these letters of credit will be renewed for subsequent one year periods. Borrowing availability under our credit facility was $164.7 million as of June 30, 2002 and was $80.8 under the credit facility, as amended, as of August 9, 2002.

Stock Repurchase Plan. Our board of directors authorized a Stock Repurchase Plan under which up to $75.0 million of our common stock could be repurchased. Under the Stock Repurchase Plan, we could conduct purchases through open market transactions in accordance with applicable securities laws. During 2001, we purchased 986,000 shares of common stock for approximately $15.3 million. On March 13, 2002, the 986,000 shares of common stock were sold to the Stock Employee Compensation Trust (SECT), and were no longer considered treasury stock. These shares were subsequently retired on June 28, 2002, after we terminated the SECT. During the second quarter of 2002, Quanta purchased 924,500 shares of its common stock for approximately $11.8 million under the Stock Repurchase Plan. As of July 1, 2002, the independent committee of our board of directors determined to cease the Stock Repurchase Plan. As a result of the credit facility and senior secured notes amendments, any further stock repurchases are prohibited.

Stock Employee Compensation Trust. On March 13, 2002, our board of directors approved the creation of a SECT, to fund certain of our future employee benefit obligations using our common stock. The SECT was established by selling 8.0 million shares of our common stock, including the 986,000 shares of treasury stock we purchased during 2001 pursuant to our Stock Repurchase Plan, to the SECT in exchange for a promissory note plus an amount in cash equal to the aggregate par value of the shares. As part of the settlement of the proxy contest with Aquila, on May 20, 2002, we terminated the SECT and repurchased the 7,911,069 shares of common stock remaining in the SECT by canceling the promissory note. The 7,911,069 shares transferred into treasury stock on May 21, 2002 and were retired on June 28, 2002.

Litigation. On December 21, 2001, a purported stockholder of Quanta filed a putative class action and derivative complaint against directors Vincent D. Foster, Jerry J. Langdon, Louis C. Golm, James R. Ball, John R. Colson, John R. Wilson and Gary A. Tucci. The complaint also named Quanta as a nominal defendant. The complaint alleged that the named directors breached their fiduciary duties by taking certain actions, including the Stockholder Rights Plan amendment, in response to the announcement by Aquila that it intended to acquire control of Quanta through open market purchases of our shares. The complaint sought an order rescinding any actions taken by the named directors in response to the announcement by Aquila and requiring the directors to take steps necessary to maximize the value of Quanta. The complaint further sought damages from the named directors on behalf of a class of stockholders and purportedly on behalf of Quanta for the alleged harm inflicted by the actions of the named directors. On January 22, 2002 Quanta and the named directors filed a motion to dismiss the stockholder complaint. There has been no activity since January 2002. Although the ultimate outcome and liability, if any, cannot be determined, management, after consultation and review with counsel, believes that the facts do not support the plaintiff's claims and that Quanta and the named directors have meritorious defenses.

On March 21, 2002, Aquila filed a complaint in the Delaware Court of Chancery naming Quanta and each member of the special committee of our board of directors, consisting of all directors other than those designated by Aquila, as defendants. The Aquila complaint alleged that the special committee breached its fiduciary duty in connection with the March 13, 2002 adoption of the SECT and the new employment agreements entered into with certain of our employees and that under Delaware statutory laws the shares sold to the SECT were not entitled

to vote. As part of the settlement of Aquila's proxy contest, this lawsuit was dismissed with prejudice.

In addition, certain of our subsidiaries are involved in disputes or legal actions arising in the ordinary course of business. We do not believe the outcome of such legal actions will have a material adverse effect on our financial position or results of operations.

Acquisitions. During the first six months of 2002, we acquired two companies for an aggregate consideration of 251,079 shares of common stock and approximately $8.0 million in cash, net of cash acquired. The cash portion of such consideration was provided by proceeds from borrowings under the credit facility. In connection with the amendment of our credit facility and senior secured notes, we are prohibited from making additional acquisitions.

Concentration of Credit Risk. We grant credit, generally without collateral, to our customers, which include electric power and gas companies, telecommunications and cable television system operators, governmental entities, general contractors, builders and owners and managers of commercial and industrial properties located primarily in the United States. Consequently, we are subject to

potential credit risk related to changes in business and economic factors throughout the United States. We generally are entitled for work performed and have certain lien rights on our services provided. As previously discussed herein, our customers in the telecommunications business have experienced significant financial difficulties and, in several instances, filed for bankruptcy. Also, our utility customers are experiencing business challenges in the current business climate. These economic conditions expose us to increased risk related to collectibility on services we have performed. No customer accounted for more than 10% of accounts receivable or revenues for the six months ended June 30, 2001 or 2002.

Related Party Transactions. In the normal course of business, we from time to time enter into transactions with related parties. These transactions typically take the form of network service work for Aquila or facility leases with prior owners. See additional discussion in Note 9 of Notes to Condensed Consolidated Financial Statements.

SEASONALITY; FLUCTUATIONS OF QUARTERLY RESULTS

Our results of operations can be subject to seasonal variations. During the winter months, demand for new projects and new maintenance service arrangements may be lower due to reduced construction activity. However, demand for repair and maintenance services attributable to damage caused by inclement weather during the winter months may partially offset the loss of revenues from lower demand for new projects and new maintenance service arrangements. Additionally, our 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 in the U.S. Typically, we experience lower gross and operating margins during the winter months. The timing of acquisitions, variations in the margins of projects performed during any particular quarter, the timing and magnitude of acquisition assimilation costs, regional economic conditions and our customer's access to capital may also materially affect quarterly results. Accordingly, our operating results in any particular quarter may not be indicative of the results that can be expected for any other quarter or for the entire year.

NEW ACCOUNTING PRONOUNCEMENTS

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 requires that gains and losses from extinguishment of debt be classified as extraordinary items only if they meet the criteria in Accounting Principles Board Opinion No. 30 (Opinion No. 30). Applying the provisions of Opinion No. 30 will distinguish transactions that are part of an entity's recurring operations from those that are unusual and infrequent and meet the criteria for classification as an extraordinary item. SFAS No. 145 is effective for us beginning January 1, 2003. Upon the adoption of SFAS No. 145, if we record any extraordinary items related to the extinguishment of debt, we will have to reclassify such items in our prior period statements of operations to conform to the presentation required by SFAS No. 145. Under SFAS No. 145, we will report gains and losses on the extinguishment of debt in pre-tax earnings rather than in extraordinary items.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities, such as restructurings, involuntarily terminating employees and consolidating facilities initiated after December 31, 2002.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates on an ongoing basis, based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates. Management has reviewed its development and selection of critical accounting estimates with the audit committee of our board of directors. We believe the following accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Accounts Receivable and Provision for Doubtful Accounts. We provide an allowance for doubtful accounts when collection of an account receivable is considered doubtful. Inherent in the assessment of the allowance for doubtful accounts are certain judgments and estimates including, among others, our customer's access to capital, our customer's willingness or ability to pay, general economic conditions and the ongoing relationship with the customer. For example, certain of our customers, primarily large public telecommunications carriers, have filed for bankruptcy in the quarter ended June 30, 2002, or have been experiencing financial difficulties, and as a result we increased our reserves in June 2002 to reflect that certain customers may be unable to meet

their obligations to us in the future. Should additional customers file for bankruptcy or experience difficulties, or should anticipated recoveries relating to the receivables in existing bankruptcies and other workout situations fail to materialize, we could experience reduced cash flows and losses in excess of current reserves.

Goodwill. As stated in Note 5 of Notes to Condensed Consolidated Financial Statements, FASB Statement No. 142 provides that goodwill and other intangible assets that have indefinite useful lives will not be amortized, but instead must be tested at least annually for impairment, and intangible assets that have finite useful lives should continue to be amortized over their useful lives. Statement No. 142 also provides specific guidance for testing goodwill and other nonamortized intangible assets for impairment. Goodwill of a reporting unit shall be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Examples of such events or circumstances may include a significant change in business climate, or a loss of key personnel, among others. The Statement requires that management make certain estimates and assumptions in order to allocate goodwill to reporting units and to determine the fair value of reporting unit net assets and liabilities, including, among other things, an assessment of market conditions, projected cash flows, cost of capital and growth rates, which could significantly impact the reported value of goodwill and other intangible assets, as compared to our accounting policy for the assessment of goodwill impairment in 2001, which was based on an undiscounted cash flow model. Estimating future cash flows requires significant judgment and our projections may vary from cash flows eventually realized.

Revenue Recognition. We typically record revenues from fixed price contracts on a percentage-of-completion basis, using the cost-to-cost method based on the percentage of total costs incurred to date in proportion to total estimated costs to complete the contract. Changes in job performance, job conditions and final contract settlements, among others, are factors that influence the assessment of the total estimated costs to complete these contracts.

Self-Insurance. We are insured for workers' compensation, employer's liability, auto liability and general liability claims, subject to a deductible of $500,000 per accident or occurrence. On August 1, 2002, upon renewal of our policies, the deductible was increased to $1,000,000 per occurrence. In addition, effective January 1, 2002, we consolidated the various non-union employee related health care benefits plans that existed at certain of our subsidiaries into one corporate plan which is subject to a deductible of $250,000 per claimant per year. Losses up to the deductible amounts are accrued based upon our estimates of the ultimate liability for claims incurred and an estimate of claims incurred but not reported. However, insurance liabilities are difficult to assess and estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. The accruals are based upon known facts and historical trends and management believes such accruals to be adequate.

OUTLOOK

The following statements are based on current expectations. These statements are forward looking, and actual results may differ materially.

Like many companies who provide installation and maintenance services to the electrical power, gas, telecommunications and cable television industries, we are facing a number of challenges. Our operating environment has changed dramatically. The telecommunications and utility markets have experienced substantial change in just the past few months as evidenced by an increased number of bankruptcies in the telecommunications market, continued devaluation of several of our utility clients debt and equity securities and pricing pressures resulting from challenges faced by major industry participants. These factors have contributed to the delay and cancellation of projects and reduction of capital spending that have impacted our operations and ability to grow at historical levels.

We continue to focus on the elements of the business we can control, including cost control, the margins we accept on projects, collecting receivables, ensuring quality service and right sizing initiatives to match the markets we serve. These initiatives include aligning our work force with our current revenue base, evaluating opportunities to reduce the number of field offices and evaluating our non-core assets for potential sale. Such initiatives could result in future charges related to, among others, severance, facility and other exit costs as we execute upon these initiatives.

We expect continued demand for our services from our utility and gas customers throughout 2002 with continued weakness in demand for our services from our telecommunications and cable customers and relatively level demand for our services from our ancillary customers. Competitive pressures on our customers caused by deregulation, return to core competencies and cost reductions have caused an increased focus on outsourcing services. We believe that we are adequately positioned to provide these services with our proven full-service providers with broad geographic reach, financial capability and technical expertise.

UNCERTAINTY OF FORWARD-LOOKING STATEMENTS AND INFORMATION

This Quarterly Report on Form 10-Q includes statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "project," "forecast," "may," "will," "should," "expect" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- - Projected operating or financial results;
- - Expectations regarding capital expenditures;
- - The effects of competition in our markets;
- - The duration and extent of the current economic downturn;
- - Materially adverse changes in economic conditions in the markets served by us or by our customers, and;
- - Our ability to achieve cost savings.
- - Any or all of Quanta's forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions and or by known or unknown risks and uncertainties, including the following:
- - Beliefs or assumptions about the outlook for markets we serve;
- - The Company's ability to effectively compete for market share;
- - The duration and extent of the current economic downturn;
- - Beliefs and assumptions about the collectibility of receivables;
- - Material adverse changes in economic conditions in the markets served by us or by our customers;
- - Rapid technological and structural changes that could reduce the demand for the services we provide;
- - Replacement of our contracts as they are completed or expire;
- - Retention of key personnel and;
- - The cost of borrowing, availability of credit and other factors affecting Quanta's financing activities.

Many of these factors will be important in determining Quanta's actual future results. Consequently, no forward-looking statement can be guaranteed. Quanta's actual future results may vary materially from those expressed or implied in any forward-looking statements.

All of Quanta's forward-looking statements, whether written or oral, are expressly qualified by these cautionary statements and any other cautionary statements that may accompany such forward-looking statements. In addition, Quanta disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk primarily related to potential adverse changes

in interest rates and, to a certain extent, commodity prices, as discussed below. Management does not generally use derivative financial instruments for trading or to speculate on changes in interest rates or commodity prices. As of June 30, 2002, however, we had two derivative contracts outstanding which related to anticipated exposure in the price of natural gas. We are exposed to credit risk in the event of non-performance by the derivative counterparty. However, we monitor our derivative positions by regularly evaluating our positions and the credit worthiness of the counterparties, which we consider credit worthy at June 30, 2002. Management is actively involved in monitoring exposure to market

risk and continues to develop and utilize appropriate risk management techniques. We are not exposed to any other significant market risks, foreign currency exchange risk or interest rate risk from the use of derivative financial instruments.

The sensitivity analyses below, which illustrates our hypothetical potential market risk exposure, estimates the effects of hypothetical sudden and sustained changes in the applicable market conditions on 2002 earnings. The sensitivity analyses presented do not consider any additional actions we may take to mitigate our exposure to such changes. The hypothetical changes and assumptions may be different from what actually occurs in the future.

Interest Rates. As of June 30, 2002, we had no derivative financial instruments to manage interest rate risk. As such, we are exposed to earnings and fair value risk due to changes in interest rates with respect to our long-term obligations. As of June 30, 2002, approximately 23.7% of our long-term obligations were floating rate obligations. As of June 30, 2002, the fair value of our variable rate debt of $123.0 million approximated book value, and the fair value of our fixed-rate debt of $395.8 million was approximately $334.4 million based upon discounted future cash flows using incremental borrowing rates and current market prices. The detrimental effect on our pretax earnings of a hypothetical 50 basis point increase in both variable and fixed interest rates would be approximately $0.6 million and $2.0 million, respectively.

Commodity Price Exposure. In October 2001, we entered into a forward purchase contract (Contract A) with settlements through 2006, in order to secure pricing on anticipated gas requirements related to a project in process at December 31, 2001 that was substantially complete at March 31, 2002. Our objective was to mitigate the variability in the price of natural gas by securing the price we will have to pay the Contract A counterparty. On March 29, 2002, we entered into a sub-services agreement with one of our customers (the Counterparty Contract) whereby the customer assumed all obligations associated with Contract A. If the customer is unable to fulfill its obligations under the Counterparty Contract, we will be responsible for settling the obligations of Contract A. As of June 30, 2002, the fair value of Contract A and the Counterparty Contract was a receivable of $1.2 million and a payable of $1.2 million, respectively.

In April 2002, we entered into another forward purchase contract (Contract B) with settlements through March 2003, in order to secure pricing on anticipated gas requirements related to a project in process at June 30, 2002. Our objective was to mitigate the variability in the price of natural gas by securing the price we will have to pay the Contract B counterparty. As of June 30, 2002, the fair value of Contract B was $354,000.

PART II -- OTHER INFORMATION

QUANTA SERVICES, INC. AND SUBSIDIARIES

ITEM 2. CHANGES IN SECURITIES.

(c) Unregistered Sales of Securities.

Between March 31, 2002, and June 30, 2002, the Company completed one acquisition in which some of the consideration was unregistered securities of the Company. The consideration paid in this transaction was $7.6 million in cash and 211,200 shares of common stock. This acquisition was not affiliated with any other acquisition prior to such transaction.

All securities listed on the following table were shares of common stock. The Company relied on Section 4(2) of the Securities Act of 1933, as amended, as the basis for exemption from registration. All issuances were to the owners of businesses acquired in privately negotiated transactions, not pursuant to public solicitation.

<Table>

<Caption>

DATE	NUMBER OF SHARES	PURCHASERS	CONSIDERATION
<S>	<C>	<C>	<C>
04/15/02	211,200	Six owners of Mustang Line Contractors, Inc.	Acquisition of Mustang Line Contractors, Inc.

</Table>

On March 13, 2002, the Company sold 8.0 million shares of common stock to the SECT in exchange for a promissory note, plus an amount equal to the aggregate par value of the shares. As part of the settlement of the proxy contest with Aquila, on May 20, 2002, the Company terminated the SECT and repurchased the 7,911,069 shares of common stock remaining in the SECT by canceling the promissory note.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

On May 20, 2002, the Company and Aquila announced that they reached an agreement for Aquila to terminate its proxy contest for control of Quanta's board of directors. The Company's definitive proxy statement filed on June 4, 2002, contains a discussion of the terms of the settlement. The costs associated with the proxy contest and negotiations with Aquila were approximately $11.6 million.

The Company held its annual meeting of stockholders in Houston, Texas on June 28, 2002. Ten members were elected to the board of directors, each to serve until the next annual meeting of the Company and until their respective successors have been elected and qualified.

The following six individuals were elected to the board of directors by the holders of the common stock and the Series A Convertible Preferred Stock of the Company, voting together:

<Table>
<Caption>

Nominee	For	Withheld
<S>	<C>	<C>
James R. Ball	66,745,247	866,321
John R. Colson	66,806,186	805,382
Terrence P. Dunn	66,251,138	1,306,430
Louis C. Golm	66,806,186	805,382
Gary A. Tucci	66,806,186	805,382
John R. Wilson	66,806,186	805,382

</Table>

The following three individuals were elected to the board of directors by the holders of the Series A Convertible Preferred Stock of the Company: Robert K. Green, Edward K. Mills and Keith G. Stamm. Each of these individuals was elected by a vote of 3,444,961 shares of the Series A Convertible Preferred Stock, being all of the outstanding shares of Series A Convertible Preferred Stock cast for or against, with no shares voted against or abstaining.

The holders of Limited Vote Common stock of the Company elected Vincent D. Foster to the board of directors. Mr. Foster was elected by a vote of 625,932 shares of the Limited Vote Common Stock, being more than a plurality of the outstanding shares of Limited Vote Common Stock cast for or against, with no shares voted against or abstaining.

No other matters were submitted to a vote of the stockholders.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

EXHIBIT NUMBER		DESCRIPTION
3.1	--	Amended and Restated Certificate of Incoporation (previously filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 (No. 333-42957) and incorporated herein by reference)
3.2	--	Amended and Restated Bylaws (previously filed as Exhibit 3.2 to the Company's 2000 Form 10-K (No. 001-13831) filed April 2, 2001 and incorporated herein by reference)
3.3	--	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (previously filed as Exhibit 3.3 to the Company's Registration Statement on Form S-3 (No. 333-81419)

		filed June 23, 1999 and incorporated herein by reference)
3.4	--	Certificate of Designation for the Series A Preferred Stock (previously filed as Exhibit 3.4 to the Company's Registration Statement of Form S-3 (No. 333- 90961) filed November 15, 1999 and incorporated herein by reference)
3.5	--	Certificate of Designation for the Series B Preferred Stock (previously filed as Exhibit 3.5 to the Company's 1999 Form 10-K (No. 001-13831) filed March 30, 2000 and incorporated herein by reference)
3.6	--	Certificate of Correction to Certificate of Designation for the Series A Preferred Stock (previously filed as Exhibit 3.6 to the Company's 1999 Form 10-K (No. 001-13831) filed March 30, 2000 and incorporated herein by reference)
3.7	--	Certificate of Amendment of the Certificate of Designation, Rights and Limitations of the Series A Convertible Preferred Stock (previously filed as Exhibit 3.7 to the Company's 2001 Form 10-K (No. 001-13831) filed April 1, 2002 and incorporated herein by reference)
3.8	--	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (previously filed as Exhibit 3.8 to the Company's 2001 Form 10-K (No. 001-13831) filed April 1, 2002 and incorporated herein by reference)
3.9	--	Certificate of Designation of Series C Junior Convertible Preferred Stock (previously filed as Exhibit 3.9 to the Company's 2001 Form 10-K (No. 001- 13831) filed April 1, 2002 and incorporated herein by reference)
3.10	--	Certificate of Increase of Series B Junior Participating Preferred Stock (previously filed as Exhibit 3.10 to the Company's 2001 Form 10-K (No. 001- 13831) filed April 1, 2002 and incorporated herein by reference)
4.14	--	Eighth Amendment and Consent to Third Amended and Restated Secured Credit Agreement (filed herewith)
10.30	--	Employment Agreement, dated as of March 13, 2002, by and between Quanta Services, Inc. and James F. O'Neill, III (filed herewith)
10.31	--	Settlement and Governance Agreement between Quanta Services, Inc. and Aquila, Inc., dated as of May 20, 2002 (previously filed as Exhibit 10.1 to the Company's Form 8-K (No. 001-13831) filed May 22, 2002 and incorporated herein by reference)
10.32	--	Amended and Restated Investors' Rights Agreement between Quanta Services, Inc. and Aquila, Inc., dated as of May 20, 2002 (previously filed as Exhibit 10.2 to the Company's Form 8-K (No. 001-13831) filed May 22, 2002 and incorporated herein by reference)
10.33	--	Amendment No. 1 to Note Purchase Agreement dated as of March 1, 2000 between Quanta Services, Inc. and the Purchasers named therein (filed herewith)
99.1	--	Certification of Periodic Report by Chief Executive Officer (filed herewith)
99.2	--	Certification of Periodic Report by Chief Financial Officer (filed herewith)

(b) Reports on Form 8-K.

(1) Quanta filed a Form 8-K on May 22, 2002 in which it reported that it reached an agreement for Aquila to terminate its proxy contest for control of Quanta's board of directors.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant, Quanta Services, Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

QUANTA SERVICES, INC.

By: /s/ DERRICK A. JENSEN

Derrick A. Jensen
Vice President, Controller and
Chief Accounting Officer

Dated: August 14, 2002

INDEX TO EXHIBITS

<Table>
<Caption>

EXHIBIT NUMBER		DESCRIPTION
<S>		<C>
4.14	--	Eighth Amendment and Consent to Third Amended and Restated Secured Credit Agreement (filed herewith)
10.30	--	Employment Agreement, dated as of March 13, 2002, by and between Quanta Services, Inc and James F. O'Neill, III (filed herewith)
10.33	--	Amendment No. 1 to Note Purchase Agreement dated as of March 1, 2000 between Quanta Services, Inc. and the Purchasers named therein (filed herewith)
99.1	--	Certification of Periodic Report by Chief Executive Officer (filed herewith)
99.2	--	Certification of Periodic Report by Chief Financial Officer (filed herewith)

</Table>

EXHIBIT 4.14

EIGHTH AMENDMENT
TO THIRD AMENDED AND RESTATED SECURED CREDIT AGREEMENT

THIS EIGHTH AMENDMENT TO THIRD AMENDED AND RESTATED SECURED CREDIT AGREEMENT (this "AMENDMENT") is entered into as of August 12, 2002, among QUANTA SERVICES, INC., a Delaware corporation ("BORROWER"), the Lenders (defined below), and BANK OF AMERICA, N.A., f/k/a NationsBank, N.A., as administrative agent for the Lenders (in such capacity, the "AGENT"). Capitalized terms used but not defined in this Amendment have the meaning given them in the Credit Agreement (defined below).

RECITALS

A. The Borrower is party to that certain Third Amended and Restated Secured Credit Agreement dated as of June 14, 1999 (as amended by the First Amendment dated as of September 21, 1999, the Second Amendment dated as of March 21, 2000, the Third Amendment and Consent dated as of June 15, 2000, the Fourth Amendment dated as of October 27, 2000, the Fifth Amendment dated as of November 9, 2000, the Sixth Amendment dated as of October 17, 2001, the Seventh Amendment dated as of February 12, 2002, and as it may be further amended, restated or supplemented from time to time, the "CREDIT AGREEMENT"), among the Borrower, Agent, and the lenders from time to time party to the Credit Agreement (each a "LENDER" and collectively, the "LENDERS").

B. The Borrower, the Agent, and the Lenders have agreed to amend the Credit Agreement subject to the terms and conditions set out in this Amendment.

NOW THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

1. Amendment to Section 1.1 (Definitions). SECTION 1.1 of the Credit Agreement is hereby amended (a) to delete the defined terms "MANAGEMENT FEE" and "MANAGEMENT FEE TERMINATION PAYMENT", (b) to amend and restate the defined terms "ACQUISITION", "APPLICABLE MARGIN", "COMMITMENT AMOUNT", "EBIT", "EBITDA", "MINIMUM INTEREST COVERAGE RATIO", "NON-CASH Charges", and "UTILICORP", and (c) to add the following new defined terms "CONSOLIDATED NET ACCOUNTS", "CONSOLIDATED NET Assets", "CONSOLIDATED NET PP&E", "MINIMUM ASSET COVERAGE RATIO" and "PERMITTED CHARGES", in each case in their appropriate alphabetical order:

> ""ACQUISITION" means, a direct or indirect purchase by the Borrower or any of its Subsidiaries for cash, stock, or other securities or property, whether in one or more related transactions, of all or substantially all of the assets or 50% or more THAN 50% of voting securities or other equity interests of a Person or a business unit, division or group of a Person.
>
> "APPLICABLE MARGIN" means, for Base Rate Loans or LIBOR Loans, as applicable, for any day at such times as the relevant Funded Debt to EBITDA Ratio is in one of the following ranges, the percentage per annum set forth opposite such Funded Debt to EBITDA Ratio for such Loans for each tier of the following pricing grid:

<Table>
<Caption>

Tier	Funded Debt to EBITDA Ratio	LIBOR Loans	Base Rate Loans
<S>	<C>	<C>	<C>
I.	Greater than or equal to 3.5 to 1.0	3.50%	2.00%
II.	Greater than or equal to 3.0 to 1.0 but less than 3.5 to 1.0	3.00%	1.50%
III.	Greater than or equal to 2.5 to 1.0 but less than 3.0 to 1.0	2.50%	1.00%
IV.	Greater than or equal to 2.0 to 1.0 but less than 2.5 to 1.0	2.00%	0.50%
V.	Less than 2.0 to 1.0	1.50%	0.00%

</Table>

> For the period from August 12, 2002, through the earlier of (a) the date the Compliance Certificate and financial

statements required by SECTION 6.6(a)(ii) and SECTION 6.6(b), for the fiscal quarter ended September 30, 2002, are required to be provided to the Agent, and (b) the date such Compliance Certificate and financial statements are provided to the Agent, the Applicable Margin for LIBOR Loans and for Base Rate Loans determined as of such quarter shall be equal to the respective Applicable Margins in tier I on the above pricing grid. Thereafter, the Applicable Margin shall be set according to the tiers on the above pricing grid as determined by the Agent based on the applicable Compliance Certificate and financial statements required by SECTION 6.6(a) and SECTION 6.6(b), and any change in the Applicable Margin shall be effective as of the earlier of (a) the date such Compliance Certificate and financial statements are required to be provided to the Agent, and (b) the date such Compliance Certificate and financial statements are provided to the Agent. If Borrower fails to timely provide to the Agent the Compliance Certificate and the financial statements, then from the period beginning the first day after the date such Compliance Certificate and financial statements are required to be provided to the Agent and ending on the date such items are actually provided to the Agent, the respective Applicable Margins for LIBOR Loans and for Base Rate Loans shall be the Applicable Margins in tier I on the above pricing grid."

""COMMITMENT AMOUNT" means, an amount equal to (a) from the Effective Date through August 11, 2002, $350,000,000, (b) from August 12, through March 31, 2003, $275,000,000, (c) from April 1, 2003 through December 31, 2003, $250,000,000, and (d) from January 1, 2004 through the Commitment Termination Date, $225,000,000, in each case as such amount may be reduced from time to time pursuant to the terms of this Agreement."

""CONSOLIDATED NET ACCOUNTS" means, as of any date of determination, accounts receivable set out in the consolidated balance sheet of the Borrower and its Subsidiaries as accounts receivable, net of allowances, and in each case, as determined in accordance with GAAP."

""CONSOLIDATED NET ASSETS" means, as of any date of determination, the sum of (a) Consolidated Net Accounts, plus (b) Consolidated Net PP&E."

""CONSOLIDATED NET PP&E" means, as of any date of determination, the difference of (a) total property, plant and equipment of the Borrower and its Subsidiaries set out in the consolidated balance sheet of the Borrower and its Subsidiaries, minus (b) accumulated depreciation expense attributed to such items, set out in the consolidated balance sheet of the Borrower and its Subsidiaries as "property and equipment, net", and in each case, as determined in accordance with GAAP."

""EBIT" means, for any period, on a trailing four fiscal quarter basis, the sum of Consolidated Net Income plus, without duplication, each of the following to the

extent actually deducted in determining Consolidated Net Income: (a) Consolidated Interest Expense; (b) provisions for taxes based on income or revenues; (c) provisions made in accordance with SFAS 142, which taken together with all other charges previously taken in connection with SFAS 142, do not, in the aggregate, exceed $800,000,000; (d) to the extent applicable, Permitted Charges; and (e) non-cash charges related to the Borrower's stock option program or stock compensation plan as required to be taken pursuant to GAAP, in each case calculated on a consolidated basis for the Borrower and its Subsidiaries and as determined in accordance with GAAP."

""EBITDA" means, for any period, on a trailing four fiscal quarter basis (using the historical financial results of any business acquired in an Acquisition through the Effective Date, to the extent applicable, all on a pro forma basis, consistent with SEC regulations), the sum of Consolidated Net Income plus, without duplication, each of the following to the extent actually deducted in determining Consolidated Net Income: (a) Consolidated Interest Expense; (b) provisions for taxes based on income or revenues; (c) the amount of all depreciation and amortization expense deducted in determining Consolidated Net Income; (d) charges taken in accordance with SFAS 142, which when taken together with all other charges

previously taken in connection with SFAS 142, do not, in the aggregate, exceed $800,000,000; (e) without duplication, Permitted Charges; and (f) without duplication, Non-Cash Charges, all calculated on a consolidated basis for the Borrower and its Subsidiaries and as determined in accordance with GAAP. Upon the consummation of any Acquisition after the Effective Date, EBITDA may be calculated, subject to the immediately following sentence, using a calculation which (y) includes the historical financial results of the acquired business on a pro forma trailing four fiscal quarter basis (consistent with SEC regulations), and (z) assumes that the consummation of such Acquisition (and the incurrence, refinancing, or assumption of any Indebtedness in connection with such Acquisition) occurred on the first day of the trailing four fiscal quarter period. The foregoing adjustment to EBITDA to take into account an Acquisition may only be made if the balance sheet and statements of income, retained earnings, and cash flows of the acquired Person (or the Person from whom the assets, securities or other equity interests were acquired), are in compliance with SEC regulations and requirements regarding the preparation and presentation of historical financial information and pro forma financial information."

""MINIMUM ASSET COVERAGE RATIO" means, when determined, the ratio of (a) Consolidated Net Assets, to (b) Senior Debt."

""MINIMUM INTEREST COVERAGE RATIO" means, for any period, on a trailing four fiscal quarter basis, the ratio of (a) EBIT, to (b) the sum of Consolidated Interest Expense (excluding any Make-Whole Amount (as defined in the Note Purchase Agreement) or Modified Make-Whole Amount (as defined in the Note Purchase Agreement), as applicable, paid in connection with asset sales which result in a mandatory prepayment on the Senior Notes)), plus the amount of any dividend or distribution recognized in respect of the Preferred Stock during such period."

""NON-CASH CHARGES" means, for any period, the amount of non-cash charges determined in accordance with GAAP; provided that, if any cash outlay is made during such period in respect of such non-cash charge, only the amount of such

non-cash charge which exceeds the amount of the cash outlay may be added back to Consolidated Net Income for purposes of calculating EBITDA."

""PERMITTED CHARGES" means, for any period, on a trailing four fiscal quarter basis, expenses, write-offs or losses, which in each case have been (a) paid, incurred or realized on or before June 30, 2003, (b) disclosed to the Agent in such detail as the Agent deems acceptable, and (c) determined in accordance with GAAP, and which relate to:

(a) employee terminations, equipment sales, operating lease termination expenses, and real estate lease terminations (including related clean-up and moving charges) which, in the aggregate do not exceed $29,000,000, provided that, cash payments in connection with the items under this clause (a), may not, in the aggregate, exceed $20,000,000,

(b) accounts receivable, notes receivable, retainage, costs and earnings in excess of billing, and other amounts which (i) are either (A) set out in the consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal quarter ended June 30, 2002 as net of allowances or (B) disclosed in writing to the Agent on August 12, 2002 or (ii) relate to the contractual obligations of Borrower or its Subsidiaries existing on June 30, 2002 as disclosed in writing to the Agent on August 12, 2002, and which have been charged off as doubtful for collection, provided that, all such amounts under clauses (i) and (ii) may not, in the aggregate, exceed $62,000,000(as adjusted for future recoveries),

(c) the proxy contest with Utilicorp, and which do not, in the aggregate, exceed $13,000,000, and

(d) (i) advisory, legal, and bank fees and expenses in connection with the negotiation, execution and delivery of the Eighth Amendment to this Agreement (including any related amendment to the Senior Notes in connection therewith) and related third party due diligence conducted on behalf of the Agent in connection therewith, and which do not, in the

aggregate, exceed $3,500,000, and (ii) non-cash expenses related to prior financing transaction costs which have been capitalized and are required to be expensed in accordance with GAAP."

""UTILICORP" means Aquila, Inc., a Delaware corporation (f/k/a UtiliCorp United Inc.)."

2. Amendments to Section 2.10 (Mandatory Prepayments of Loans). SECTION 2.10 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 2.10:

"Section 2.10 Mandatory Prepayment of Loans.

(a) If the aggregate principal amount of outstanding Loans and L/C Obligations shall at any time for any reason exceed the Commitment Amount then in effect, the Borrower shall, immediately and without notice or demand, pay the amount of such excess to the Agent for the ratable benefit of the Lenders as a prepayment of the Loans and, if all Loans have been paid, a pre-funding of Letters of Credit pursuant to the provisions of SECTION 7.4.

(b) If, on or after August 12, 2002, the Borrower or any of the Subsidiaries issues any additional Senior Notes under the Note Purchase Agreement, then the

Borrower shall promptly, without notice or demand, pay all proceeds from such issuance (net of usual and customary transaction costs and expenses actually incurred in connection with such issuance) to the Agent for the ratable benefit of the Lenders as a prepayment of the Loans and if all Loans have been paid, as a pre-funding of Letters of Credit pursuant to the provisions of SECTION 7.4, and upon such issuance, the Commitment Amount shall be automatically and permanently reduced by an amount equal to the amount of the net proceeds from such issuance.

(c) If, on or after August 12, 2002, the Borrower or any of its Subsidiaries issues any Funded Debt, which, in the aggregate, exceeds $15,000,000, other than the Indebtedness referenced in SUBSECTION (b) above, then the Borrower shall promptly, without notice or demand, pay all proceeds from such issuance (net of usual and customary transaction costs and expenses actually incurred in connection with such issuance) to the Agent for the ratable benefit of the Lenders and the holders of the Senior Notes (based on the proportion of the Commitment Amount under this Agreement and the proportion of the outstanding principal amount of the Senior Notes to the sum of both) as a prepayment respectively of (i) the Loans, and if all Loans have been paid, a pre-funding of Letters of Credit pursuant to the provisions of SECTION 7.4, and upon such issuance, the Committed Amount shall be automatically and permanently reduced by an amount equal to the amount of the proceeds of such issuance required to be paid to the Agent under this SECTION 2.10(c)(i), and (ii) the Senior Notes.

(d) If, on or after August 12, 2002, the Borrower receives proceeds from the collection of accounts receivable to the extent such proceeds represent a portion of accounts receivable which had been written off by the Borrower as doubtful for collection, then the Borrower shall promptly, without notice or demand, pay the portion of such net proceeds which had been written off to the Agent for the ratable benefit of the Lenders and the holders of the Senior Notes (based on the proportion of the Commitment Amount under this Agreement and the proportion of the outstanding principal amount of the Senior Notes to the sum of both) as a prepayment respectively of (i) the Loans, and if all Loans have been paid, a pre-funding of Letters of Credit pursuant to the provisions of SECTION 7.4, and upon such issuance, the Committed Amount shall be automatically and permanently reduced by an amount equal to the amount of the proceeds of such collection required to be paid to the Agent under this SECTION 2.10(d)(i), and (ii) the Senior Notes.

(e) If any asset disposition occurs under SECTIONS 6.16(d) and (E), the Borrower shall comply with the prepayment provisions in such SECTIONS 6.16(d) and (e).

(f) Any mandatory prepayment of Loans pursuant to this Agreement shall not be limited by the notice provision for

prepayments set forth in SECTION 2.9, but immediately upon determining the need to make any such prepayment, the Borrower shall notify the Agent of such required prepayment. Each such prepayment shall be accompanied by a payment of all accrued and unpaid interest on the Loans prepaid and any applicable breakage fees and funding losses pursuant to SECTION 2.12."

3. Amendment to Section 3.1 (Fees). SECTION 3.1(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 3.1(a):

"(a) Commitment Fee. For the period from August 12, 2002, to and including the Commitment Termination Date the Borrower shall pay to the Agent for the ratable account of the Lenders, a Commitment Fee (computed on a basis of a 365/366-day year and actual days elapsed) on an amount equal to the average daily difference between (i) the sum of the Commitment Amount and (ii) the outstanding Revolving Loans and L/C Obligations, such Commitment Fee to be calculated, for any day, at such times as the relevant Funded Debt to EBITDA Ratio is in one of the following tiers, based upon the Commitment Fee Percentage per annum set forth opposite the corresponding Funded Debt to EBITDA Ratio in same tier set forth below, times such amount:

<Table>
<Caption>

Tier	Funded Debt to EBITDA Ratio	Commitment Fee Percentage
<S>	<C>	<C>
I.	Greater than or equal to 3.5 to 1.0	0.500%
II.	Greater than or equal to 3.0 to 1.0 but less than 3.5 to 1.0	0.500%
III.	Greater than or equal to 2.5 to 1.0 but less than 3.0 to 1.0	0.500%
IV.	Greater than or equal to 2.0 to 1.0 but less than 2.5 to 1.0	0.375%
V.	Less than 2.0 to 1.0	0.375%

</Table>

For the period from August 12, 2002, through the date the Compliance Certificate and financial statements required by SECTION 6.6(a)(ii) and SECTION 6.6(b), for the fiscal quarter ended September 30, 2002, are required to be provided to the Agent, the applicable Commitment Fee Percentage determined as of such quarter shall be equal to the percentage in tier I, and thereafter, the Commitment Fee Percentage shall be set by the Agent at the same time and in the same manner as the Applicable Margin is set. Such Commitment Fees shall be payable in arrears commencing on September 30, 2002, and on the last Business Day of each calendar quarter thereafter and on the Maturity Date unless the Commitments are terminated in whole on an earlier date, in which event the Commitment Fee for the period to but not including the date of such termination shall be paid in whole on the date of such termination. If Borrower fails to timely provide to the Agent the Compliance Certificate and the financial statements, then from the period beginning the first day after the date such Compliance Certificate and financial statements are required to be provided to the Agent and ending on the date such items are actually provided to the Agent, the Commitment Fee shall be the Commitment Fee in tier I on the above pricing grid."

4. Amendment to Section 5.19 (Year 2000 Compliance). SECTION 5.19 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 5.19:

"Section 5.19 [Intentionally Omitted]."

5. Amendment to Section 6.6(a) (Financial Reports and Other Information). SECTION 6.6(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.6(a):

"(a) The Borrower and its Subsidiaries will maintain a system of accounting in such manner as will enable preparation of financial statements in accordance with

GAAP and will furnish to the Agent and its authorized representatives such information about the business and financial condition of the Borrower and its Subsidiaries, including, without limitation, any corporate documents and records, within such time period, as the Agent or any Lender may reasonably request; and, without any request, will furnish to the Agent:

(i) within forty-five (45) days after the end of each month of each fiscal year of the Borrower, (A) the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such month and the related unaudited consolidated statements of income for such month and for the portion of the fiscal year ended with the last day of such month, in form and detail acceptable to the Agent, provided that, the Borrower is not required to furnish financial statements under this clause (i) for the months required under clauses (ii) and (iii) below, and (B) (i) an accounts receivable aging summary, and (ii) a status report on (y) the items described in clause (b)(ii) of the definition of "Permitted Charges", and (z) the 20 largest accounts receivable of the Borrower, all of which under this clause (B) shall be in form and detail reasonably acceptable to the Agent;

(ii) within forty-five (45) days after the end of each fiscal quarter of each fiscal year of the Borrower, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter and the related consolidated statements of income and retained earnings and of cash flows for such fiscal quarter and for the portion of the fiscal year ended with the last day of such fiscal quarter, and a summary of asset dispositions during such period and in the aggregate to date under SECTION 6.16(c), (d) and (e), all of which under this clause (ii) shall be in form and detail satisfactory to the Agent and in the case of consolidated statements, in the form filed with the SEC and within five (5) days thereafter, a certificate of an officer of the Borrower acceptable to the Agent that such financial reports fairly present the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows for the periods indicated and that they have been prepared in accordance with GAAP, in each case, subject to normal year-end audit adjustments and the omission of any footnotes as permitted by the SEC; and

(iii) within one hundred twenty (120) days after the end of each fiscal year of the Borrower, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated and consolidating statements of income and consolidated statements of retained earnings and of cash flows for such fiscal year and setting forth consolidated comparative figures for the preceding fiscal year and certified by an officer of the Borrower acceptable to the Agent to the effect that such statements fairly present the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and changes in their cash flows, and in the case of the consolidated statements, audited by an independent nationally-recognized accounting firm acceptable to the Agent."

6. Amendment to Section 6.6(b)(Financial Reports and Other Information). SECTION 6.6(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.6(b):

"(b) (i) Each financial statement furnished to the Agent pursuant to SECTION 6.6(a)(i) shall be accompanied by a Compliance Certificate

substantially in the form of EXHIBIT 6.6 showing the Borrower's compliance with the Minimum Asset Coverage Ratio.

(ii) Each financial statement furnished to the Agent pursuant to SECTION 6.6(a)(ii) and (iii) shall be accompanied by (i) a written certificate signed by an officer of the Borrower acceptable to the Agent to the effect that (x) no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by the Borrower to remedy the same, and (y) the representations and warranties contained herein are true and correct in all material respects as though made on the date of such certificate, except to the extent that any such representation or warranty relates solely to an earlier date, in which case it was true and correct as of such earlier date and except as otherwise described therein, as a result of the transactions expressly permitted hereunder or as previously disclosed to the Lenders, and (ii) a Compliance Certificate substantially in the form of EXHIBIT 6.6 showing the Borrower's compliance with the financial covenants set out herein."

7. Amendments to Section 6.11 (Restrictions on Fundamental Changes). SECTION 6.11 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.11:

"Restrictions on Fundamental Changes. Neither the Borrower nor any of its Subsidiaries shall be a party to any merger into or consolidation with, make an Acquisition or otherwise purchase or acquire all or substantially all of the assets or stock of, any other Person, or sell all or substantially all of its assets or stock (other than as permitted under SECTION 6.16), except the Borrower may purchase or otherwise acquire all or substantially all of the stock or assets of, or otherwise acquire by merger or consolidation, any of its Subsidiaries, and any such Subsidiary may merge into, or consolidate with, or purchase or otherwise acquire all or substantially all of the assets or stock of or sell all or substantially all of its assets or stock to, any other Subsidiary of the Borrower or the Borrower, in each case so long as (a) if the transaction is with the Borrower, the Borrower shall be the surviving entity to any such merger or consolidation, or (b) if the transaction is not with the Borrower, a domestic Subsidiary shall be the surviving entity to any such merger or consolidation. Except as otherwise permitted in this SECTION 6.11, the Borrower shall not sell or dispose of any capital stock of or its ownership interest in any of the Guarantors or any other Subsidiaries which it may form. Borrower shall give the Agent the notice required under SECTION 6.9."

8. Amendments to Section 6.15 (Loans, Advances and Investments). SECTION 6.15 of the Credit Agreement is hereby amended by deleting SUBSECTIONS (f), (g), (h) and (k) in their entirety and replacing them with SUBSECTIONS (f), (g), (h), and (k) respectively, as follows:

" (f) to the extent permitted by, and in compliance with, applicable law, loans to employees of the Borrower or any of its Subsidiaries, provided that all such loans shall not exceed $2,000,000 at any one time;

(g) Investments made in Persons other than Borrower or its Subsidiaries, provided that, such Investment made after June 30, 2002 may not, in the aggregate, exceed $2,000,000;

(h) [intentionally omitted];

. . .

(k) [intentionally omitted];"

9. Amendment to Section 6.16 (Transfer of Assets). SECTION 6.16 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.16:

"Section 6.16 Transfer of Assets. The Borrower and its Subsidiaries shall not permit any sale, transfer, conveyance,

assignment or other disposition of any asset of the Borrower or any of its Subsidiaries except:

(a) transfers of inventory in the ordinary course of business;

(b) the retirement or replacement of assets (with assets of equal or greater value) in the ordinary course of business;

(c) transfers of any assets among (i) the Borrower and its non-domestic Subsidiaries not to exceed, in the aggregate, $5,000,000, or (ii) the Borrower and any of its domestic Subsidiaries;

(d) sales, transfers or conveyances of accounts receivable for fair and adequate consideration and for cash, and all proceeds from the sale, transfer or conveyance of such assets shall be paid to the Agent, for the ratable benefit of the Lenders and the holders of the Senior Notes (based on the proportion of the Commitment Amount under this Agreement and the proportion of the outstanding principal amount of the Senior Notes to the sum of both) as a prepayment respectively of (i) the Loans, and if all Loans have been paid, a pre-funding of Letters of Credit pursuant to the provisions of SECTION 7.4, and upon such disposition, the Commitment Amount shall be automatically and permanently reduced by an amount equal to the amount of such proceeds required to be paid to the Agent pursuant to this SECTION 6.16(d)(i), and (ii) the Senior Notes; and

(e) to the extent not included in clauses (a) through (d) above, dispositions of ASSETS, for fair and adequate consideration and for cash, provided that, dispositions under this SUBSECTION (e) may not, in the aggregate, exceed $50,000,000 in book value during the term of this Agreement, and all proceeds from the disposition of such assets (net of usual and customary transaction costs and expenses actually incurred in connection with such disposition) shall be paid to the Agent, for the ratable benefit of the Lenders and the holders of the Senior Notes (based on the proportion of the Commitment Amount under this Agreement and the proportion of the outstanding principal amount of the Senior Notes to the sum of both) as a prepayment respectively of (i) the Loans, and if all Loans have been paid, a pre-funding of Letters of Credit pursuant to the provisions of SECTION 7.4, and upon such disposition, the Commitment Amount shall be automatically and permanently reduced by an amount equal to the amount of such proceeds required to be paid to the Agent pursuant to this SECTION 6.16(e)(i), and (ii) the Senior Notes. Amounts required to the paid to the Lenders and the holders of the Senior Notes under this SECTION 6.16(e) shall be made on the date the Compliance Certificate and financial statements are required to be delivered under SECTION 6.6(b), provided that, in the event asset sales during a

month under this SECTION 6.16(e) exceed $1,000,000 in book value in the aggregate, amounts required to be paid to the Lenders and the holders of the Senior Notes pursuant to this SECTION 6.16(e) as a result of all such assets sales which have occurred during such month shall be made within 15 days after the end of such month."

10. Amendments to Section 6.19 (Capital Expenditures). SECTION 6.19 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.19:

"Section 6.19 Capital Expenditures.

(a) Neither the Borrower nor any of its Subsidiaries shall make or commit to make Capital Expenditures greater than (i) for fiscal year 2002, $60,000,000, and (ii) for fiscal year 2003 and each fiscal year thereafter, $50,000,000. No portion of any annual limit may be carried forward to a subsequent fiscal year.

(b) In addition to the annual limits under SECTION 6.19(a), if the Borrower executes an eligible contract, then the Borrower may make Capital Expenditures in respect of such contract in an amount equal to the lesser of (i) the actual amount required by such contract, and (ii) $15,000,000, provided that, (A) in respect of each such contract, Capital

Expenditures not made within 12 months after the date of such contract shall be applied against the annual limits under SECTION 6.19(a), and (B) the amount of Capital Expenditures under this SECTION 6.19(b) for all such contracts may not, in the aggregate, exceed $15,000,000 in any fiscal year. Upon execution of each eligible contract, the Borrower shall promptly deliver a copy of such contract to the Administrative Agent, together with a summary of the Capital Expenditures required by such contract in form and detail acceptable to the Administrative Agent. As used in this SECTION 6.19(b), "ELIGIBLE CONTRACT" means, a utility outsourcing contract with revenues to the Borrower of at least $75,000,000 during any 12 consecutive month period prior to 18 months after execution of such contract."

11. Amendment to Section 6.20 (Minimum Consolidated Net Worth). SECTION 6.20 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.20:

"Section 6.20 Minimum Consolidated Net Worth. The Borrower will maintain a minimum Consolidated Net Worth of not less than an amount equal to the sum of (a) 90% of Consolidated Net Worth as of June 30, 2002 (determined without giving effect to any adjustments made in accordance with SFAS 142), plus (b) for each fiscal quarter ended prior to (but not on) such date of determination, commencing with the fiscal quarter ended September 30, 2002, the total of (i) an amount equal to 75% of Consolidated Net Income for such fiscal quarter, if positive, plus (ii) an amount equal to 100% of the amount of any equity issuance by the Borrower, including equity issued in a secondary offering or equity issued to acquire another entity in an Acquisition, minus (iii) any distributions to shareholders of any Subchapter S corporation acquired in an Acquisition as a result of operations of such corporation prior to the closing of the Acquisition, minus (iv) Permitted Charges referenced in clauses (a) and (b) of such definition which are applicable to such period, and minus (v) without duplication, charges taken in accordance with SFAS 142 in accordance with GAAP, which when taken together with all other charges previously taken in connection with SFAS 142, do not, in the aggregate, exceed $800,000,000. Increases in Consolidated

Net Worth required after June 30, 2002 shall be appropriately adjusted to eliminate any adverse effects on the Consolidated Net Worth of the Borrower occasioned by the expensing of Modified Make-Whole Amounts (as defined in the Note Purchase Agreement) paid pursuant to Section 4.4 of Amendment No. 1 to the Note Purchase Agreement. The calculation of Consolidated Net Worth under this SECTION 6.20 shall not take into consideration the non-cash charges related to the Borrower's stock option program or stock compensation plan as required to be taken pursuant to GAAP ."

12. Amendments to Section 6.21 (Minimum Interest Coverage Ratio). SECTION 6.21 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.21:

"Section 6.21 Minimum Interest Coverage Ratio. The Borrower will maintain a Minimum Interest Coverage Ratio not less than the ratio set out below for the applicable period:

For the period ending June 30, 2002:	3.00 to 1.00
For the period ending September 30, 2002:	2.40 to 1.00
For the period ending December 31, 2002:	2.00 to 1.00
For the period ending March 31, 2003:	1.70 to 1.00
For the period ending June 30, 2003:	1.90 to 1.00
For the period ending September 30, 2003:	2.10 to 1.00
For the period ending December 31, 2003 and thereafter:	2.30 to 1.00"

13. Amendments to Section 6.22 (Funded Debt to EBITDA Ratio). SECTION 6.22 of the Credit Agreement is hereby deleted in its entirety and replaced with following SECTION 6.22:

"Section 6.22 Funded Debt to EBITDA Ratio. The Borrower will

maintain a maximum Funded Debt to EBITDA Ratio not greater than the ratio set out below for the applicable period:

For the period ending June 30, 2002:	3.50 to 1.00
For the period ending September 30, 2002:	4.30 to 1.00
For the period ending December 31, 2002:	4.40 to 1.00
For the period ending March 31, 2003:	4.50 to 1.00
For the period ending June 30, 2003:	4.10 to 1.00
For the period ending September 30, 2003:	4.00 to 1.00
For the period ending December 31, 2003 and thereafter:	3.50 to 1.00"

14. Amendments to Section 6.23 (Senior Debt to EBITDA). SECTION 6.23 of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 6.23:

"Section 6.23 Senior Debt to EBITDA. The Borrower will maintain a maximum Senior Debt to EBITDA Ratio not greater than the ratio set out below for the applicable period:

For the period ending June 30, 2002:	3.00 to 1.00
For the period ending September 30, 2002:	3.10 to 1.00
For the period ending December 31, 2002:	3.10 to 1.00
For the period ending March 31, 2003:	3.10 to 1.00
For the period ending June 30, 2003:	2.80 to 1.00
For the period ending September 30, 2003:	2.75 to 1.00
For the period ending December 31, 2003 and thereafter:	2.50 to 1.00"

15. Amendment to Section 6 (Covenants). Existing SECTION 6.24 of the Credit Agreement is hereby re-numbered as SECTION 6.25 and existing SECTION 6.25 of the Credit Agreement is hereby re-numbered SECTION 6.24 and deleted in its entirety and replaced with the following SECTION 6.24:

"6.24. Minimum Asset Coverage. The Borrower will maintain a Minimum Asset Coverage Ratio not less than the ratio set out below for the applicable period:

Through December 31, 2002:	1.55 to 1.00
Thereafter:	1.65 to 1.00"

16. Amendment to Section 6 (Covenants). SECTION 6 of the Credit Agreement is hereby amended by adding a new SECTION 6.26 in its appropriate numerical order as follows:

"6.26. Maintenance of Most Favored Lender Status. The Borrower hereby acknowledges and agrees that if, on or before June 30, 2004, the Borrower shall enter into any agreement or amendment with any lender or holder of its Funded Debt which provides for the benefit of any such lender or holder, any covenant that is in addition to, or more favorable to such Person than the covenants contained in this Agreement, then, and in each and any such event, the covenants in this Agreement shall be, and shall be deemed to be, without any further action on the part of the Borrower or any other Person being necessary or required, amended to afford the Lenders the same benefits and rights with respect to such matters as such agreements or amendments provide to any such other lender or holder. In addition, if the Borrower amends the Note Purchase Agreement or the Senior Notes to increase the Applicable Margin (as defined in the Note Purchase Agreement) paid to the holders of the Senior Notes, the Borrower will execute and deliver to the Lenders an amendment to this Agreement to provide the Lenders a corresponding increase in the Applicable Margin. The Borrower will promptly deliver to the Agent a copy of each such

agreement or amendment entered into after the date hereof. Without limiting the effectiveness of the first sentence of this SECTION 6.26, the Borrower agrees, no later than thirty (30) days following the date of such agreement or amendment, to enter into such documentation as the Majority Lenders may reasonably request to evidence the amendments provided for in this SECTION 6.26."

17. Amendment to Section 7.1 (Events of Default). SECTION 7.1(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following SECTION 7.1(b):

"(b) default by the Borrower in the observance or performance of any covenant set out in SECTIONS 6.6(e), 6.10(a), 6.11, 6.16, 6.21, 6.22, 6.23 6.24, 6.25, or 6.26."

18. Amendment to Exhibit 6.6 (Form of Compliance Certificate). EXHIBIT 6.6 to the Credit Agreement is hereby deleted in its entirety and replaced with EXHIBIT 6.6 attached to this Amendment.

19. Amendments to Schedules. SCHEDULES 1.1, 2.2, and 5.1 to the Credit Agreement are hereby deleted in their entirety and replaced with SCHEDULES 1.1, 2.2, and 5.1 attached to this Amendment.

20. Conditions. This Amendment shall not be effective until:

(a) it has been duly executed and delivered by Borrower, each Guarantor, and at least the Majority Lenders,

(b) a related amendment to the Note Purchase Agreement and other documents required in connection therewith have been executed and delivered in form and substance satisfactory to the Agent and the Majority Lenders,

(c) the Agent has received a certificate of the Secretary (or Assistant Secretary) and the President (or a Vice President) of each of the Borrower and its Subsidiaries containing specimen signatures of the individuals authorized to execute on behalf of such Person this Amendment or any other documents provided for in this Amendment, together with (i) copies of resolutions of the Board of Directors (or similar governing body) of such Person authorizing the execution and delivery of this Amendment and of all other documents to be executed by or actions to be taken by such Person in connection with the execution and delivery of this Amendment, and (ii) copies of such Person's organizational and governing documents, or a certification by the Borrower or Guarantor, as applicable, that no changes have been made to such documents since the date last delivered to the Agent,

(d) the Agent has received a written certificate signed by an officer of the Borrower acceptable to the Agent as to (i) the absence of any action, suit, investigation or proceeding pending or threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to materially and adversely affect (A) the financial condition of the Borrower or its Subsidiaries, or (B) the ability of the Borrower and its Subsidiaries to perform their respective obligations under the Credit Documents, as amended by the Amendment, and (ii) the absence of a material breach of any representation, warranty or agreement of the Borrower set out in the Credit Documents,

(e) the completion of all due diligence with respect to the Borrower and its Subsidiaries in scope and determination satisfactory to the Agent and the Majority Lenders,

(f) the Agent has received one or more legal opinions in form and substance satisfactory to the Agent from the Borrower's General Counsel or from Vinson & Elkins L.L.P., the Borrower's special counsel, and

(g) the Agent has received such other documents, if any, as the Agent may reasonably request.

21. Post Closing Conditions. The following post closing conditions shall be satisfied by the periods set out below, and the covenants in this SECTION 21 shall be deemed to constitute covenants set forth in the Credit Agreement, and failure to perform or observe any term in this SECTION 21 shall constitute an Event of Default.

(a) Diligence and Collateral Review. Within sixty (60) days after the date of this Amendment, the Agent will cause, at the Borrower's sole cost and expense, a nationally recognized accounting firm acceptable to the Agent, Borrower and the holders of the Senior Notes to perform and complete due diligence, including without limitation, a collateral review and examination of the Borrower's and its Subsidiaries' accounts receivable, work-in-process and backlog and other matters in a manner which is satisfactory to the Agent and the Majority Lenders.

(b) Real Estate Collateral. Within sixty (60) days after the date of this Amendment, the Borrower shall, and shall cause its Subsidiaries to execute and deliver mortgages or deeds of trust, as applicable and in form and substance satisfactory to the Agent (as collateral agent for the Lenders and the holders of the Senior Notes), granting to the Agent for the ratable benefit of the Lenders and the holders of the Senior Notes, a first priority Lien upon, and security interest in, the real property owned by the following Subsidiaries:

(i) Dillard Smith Construction Company,

(ii) Golden State Utility Co.,

(iii) H.L. Chapman Pipeline Construction, Inc.,

(iv) Mears Group, Inc.,

(v) North Houston Pole Line, L.P.,

(vi) PAR Electrical Contractors, Inc.,

(vii) Potelco, Inc.,

(viii) R.A. Waffensmith & Company, Inc.,

(ix) Sumter Utilities, Inc., and

(x) Underground Construction Co., Inc.

Such foregoing property shall be subject to no other Liens other than Permitted Liens. In addition, the Borrower shall, at its sole cost and expense, deliver such surveys, mortgagee title policies, environmental assessment reports, evidence of insurance from an insurer acceptable to the Agent naming the Agent as "loss payee" and "additional insured", as the case may be, and other related documents reasonably requested by the Agent, in each case in form and substance satisfactory to the Agent.

(c) Lien Search. Upon execution of this Amendment, at the Borrower's sole cost and expense, the Borrower shall order a uniform commercial code Lien search, and promptly upon its receipt it shall provide the Agent with the results of such Lien search and copies of filings indicated therein as requested by the Agent. Promptly upon receipt of such Lien search, the parties shall amend and restate SCHEDULE 5.12 and SCHEDULE 6.13 to the Credit Agreement with a summary of such Lien search results reflecting only Permitted Liens.

22. Fees and Expenses. The Borrower agrees to pay (a) to Agent for the benefit of each Lender that executes and delivers this Amendment on or before 12:00 noon Central Time, August 12, 2002, an amendment fee equal to .375% of such Lender's Commitment (after giving effect to this Amendment), and (b) the reasonable fees and expenses of counsel to Agent for services rendered in connection with the preparation, negotiation and execution of this Amendment.

23. Representations and Warranties. The Borrower and the Guarantors represent and warrant to the Lenders that (a) they possess all requisite power and authority to execute, deliver and comply with the terms of this Amendment, (b) this Amendment has been duly authorized and approved by all requisite corporate, partnership or limited liability company action, as applicable, by the Borrower and the Guarantors, (c) no consent of any Person is required for the execution and delivery of this Amendment by the Borrower and its Subsidiaries, (d) the execution and delivery of this Amendment by the Borrower and the Guarantors will not violate their respective organizational documents, (e) the representations and warranties in each Credit Document to which they are a party are true and correct in all material respects on and as of the date of this Amendment as though made on the date of this Amendment (except to the

extent that such representations and warranties speak to a specific date), (f) each is in full compliance with all covenants and agreements contained in each Credit Document to which it is a party, and (g) no Default or Event of Default exists as of the date of this Amendment.

24. Scope of Amendment and Consent; Reaffirmation; Release. After this Amendment becomes effective, all references to the Credit Agreement shall refer to the Credit Agreement as amended by this Amendment. Except as affected by this Amendment, the Credit Documents are unchanged and continue in effect. If there is any inconsistency between the terms of the Credit Agreement (as amended by this Amendment) and any other Credit Document, the terms of the Credit Agreement shall control and such other Credit Document shall be deemed to be amended hereby to conform to the terms of the Credit Agreement. The Borrower and the Guarantors hereby reaffirm their respective obligations under the Credit Documents and agree that all Credit Documents to which they are a party remain in full force and effect and continue to evidence their respective legal, valid and binding obligations enforceable in accordance with their terms (as the same are affected by this Amendment). The Borrower and the Guarantors hereby release the Agent and the Lenders from any liability for actions or failures to act in connection with the Credit Documents prior to the date of this Amendment. This Amendment shall be binding upon and inure to the benefit of each of the undersigned and their respective successors and permitted assigns.

25. Miscellaneous.

(a) No Waiver of Defaults. This Amendment does not constitute a waiver of, or a consent to, (i) any present or future violation of or default under any provision of the Credit Documents, or (ii) the Lenders' right to insist upon future compliance with each term, covenant, condition and provision of the Credit Documents.

(b) Form. Each agreement, document, instrument or other writing to be executed and delivered or otherwise furnished to the Agent as a condition to the effectiveness of this Amendment must be in form and substance satisfactory to the Agent and its counsel.

(c) Multiple Counterparts. This Amendment may be executed in any number of counterparts with the same effect as if all signatories have signed the same document. All counterparts must be construed together to constitute one and the same instrument. Facsimile signatures shall be given the same effect as original signatures.

(d) Governing Law. This Amendment and the other Credit Documents must be construed, and their performance enforced, under Texas law.

(e) Entirety. THE CREDIT DOCUMENTS, AS AMENDED BY THIS AMENDMENT, REPRESENT THE FINAL AGREEMENT BETWEEN THE BORROWER, GUARANTORS, THE AGENT, AND THE LENDERS AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[SIGNATURES AND GUARANTORS' CONSENT AND AGREEMENT APPEAR ON FOLLOWING PAGES.]

EXECUTED as of the date first written above.

QUANTA SERVICES, INC.

By: /s/ NICK GRINDSTAFF

Nick Grindstaff
Treasurer

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ SUZANNE M. PAUL

Suzanne M. Paul, Vice President

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ GARY L. MINGLE

Gary L. Mingle
Senior Vice President

BANK ONE, NA,
as a Documentation Agent and as a Lender

By: /s/ DENNIS WARREN

Name: Dennis Warren

Title: First Vice President

FLEET NATIONAL BANK
(f/k/a Bank Boston, N.A.), as a
Documentation Agent and as a Lender

By:

Name:

Title:

[SIGNATURE PAGE TO EIGHTH AMENDMENT
TO THIRD AMENDED AND RESTATED SECURED CREDIT AGREEMENT]

CREDIT LYONNAIS NEW YORK BRANCH,
as a Managing Agent and as a Lender

By: /s/ ANITA KOC

Name: Anita Koc

Title: Senior Vice President

THE BANK OF NOVA SCOTIA,
as a Managing Agent and as a Lender

By: /s/ LIZ HANSON

Name: Liz Hanson

Title: Director

NATIONAL CITY BANK,
as a Lender

By:

Name:

Title:

LASALLE BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ RICHARD J. KRESS

Name: Richard J. Kress

Title: First Vice Preisdent

WACHOVIA BANK, NATIONAL ASSOCIATION (f/k/a First Union National Bank) as a Lender

By:

Name:

Title:

COMERICA BANK,
as a Lender

By: /s/ WILLIAM S. ROGERS

Name: William S. Rogers

Title: Vice President

[SIGNATURE PAGE TO EIGHTH AMENDMENT
TO THIRD AMENDED AND RESTATED SECURED CREDIT AGREEMENT]

THE BANK OF TOKYO-MITSUBISHI, LTD., as a Lender

By: /s/ JOEY POWELL

Name: Joey Powell

Title: Officer

THE BANK OF TOKYO-MITSUBISHI, LTD.,
as a Lender

By: /s/ JOHN M. MEARNS

Name: John M. Mearns

Title: Vice President & Manager

JPMORGAN CHASE BANK,
as a Lender

By: /s/ MICHAEL D. PICKERD

Name: Michael D. Pickerd

Title: Senior Vice President

GUARANTY FEDERAL BANK, F.S.B.,
as a Lender

By: /s/ SCOTT L. BREWER

Name: Scott L. Brewer

Title: VP

SUNTRUST BANK, ATLANTA,
as a Lender

By:

Name:

Title:

DEUTSCHE BANK TRUST COMPANY NEW YORK,
as a Lender

By: /s/ ALEXANDER BICI

Name: Alexander Bici

Title: Vice President

[SIGNATURE PAGE TO EIGHTH AMENDMENT
TO THIRD AMENDED AND RESTATED SECURED CREDIT AGREEMENT]

GUARANTORS' CONSENT AND AGREEMENT

As an inducement to the Lenders to execute, and in consideration of the Lenders' execution of this Amendment, each of the undersigned hereby consents to this Amendment and agrees that the same shall in no way release, diminish, impair, reduce or otherwise adversely affect the obligations and liabilities of the undersigned under their respective Guaranties described in the Credit Agreement executed by the undersigned, or any agreements, documents or instruments executed by any of the undersigned, all of which obligations and liabilities are, and shall continue to be, in full force and effect. This consent and agreement shall be binding upon the undersigned, and their respective successors and assigns, and shall inure to the benefit of the Lenders, and their respective successors and assigns.

ADVANCED TECHNOLOGIES AND INSTALLATION CORPORATION
ALLTECK LINE CONTRACTORS (USA), INC.
ARBY CONSTRUCTION, INC.
AUSTIN TRENCHER, INC.
BRADFORD BROTHERS, INC.
CCLC, INC.
COMMUNICATION MANPOWER, INC.
COMPUTAPOLE, INC.
CONTI COMMUNICATIONS, INC.
CROCE ELECTRIC COMPANY, INC.
CROWN FIBER COMMUNICATIONS, INC.
DILLARD SMITH CONSTRUCTION COMPANY
DRIFTWOOD ELECTRICAL CONTRACTORS, INC.
ENVIRONMENTAL PROFESSIONAL ASSOCIATES, LIMITED
FIVE POINTS CONSTRUCTION CO.
GEM ENGINEERING CO., INC.
GOLDEN STATE UTILITY CO.
H. L. CHAPMAN PIPELINE CONSTRUCTION, INC.
HAINES CONSTRUCTION COMPANY
INTERMOUNTAIN ELECTRIC, INC.
IRBY CONSTRUCTION COMPANY
LINE EQUIPMENT SALES CO., INC.
LOGICAL LINK, INC.
MANUEL BROS., INC.
MEARS GROUP, INC.
MEJIA PERSONNEL SERVICES, INC.
METRO UNDERGROUND SERVICES, INC.
MUSTANG LINE CONTRACTORS, INC.
NETWORK COMMUNICATION SERVICES, INC.
NETWORK ELECTRIC COMPANY
NORTH PACIFIC CONSTRUCTION CO., INC.
NORTH SKY COMMUNICATIONS, INC.
NORTHERN LINE LAYERS, INC.
PAC WEST CONSTRUCTION, INC.
PAR ELECTRICAL CONTRACTORS, INC.
PARKSIDE SITE & UTILITY COMPANY CORPORATION
PARKSIDE UTILITY CONSTRUCTION CORP.
P.D.G. ELECTRIC COMPANY
POTELCO, INC.

GUARANTORS' CONSENT AND AGREEMENT

PROFESSIONAL TELECONCEPTS, INC.
PROFESSIONAL TELECONCEPTS, INC.
PWR FINANCIAL COMPANY
QPC, INC.
QSI, INC.
QUANTA HOLDINGS, INC.
QUANTA XXXI ACQUISITION, INC.
QUANTA LI ACQUISITION, INC.
QUANTA LIV ACQUISITION, INC.
QUANTA LVII ACQUISITION, INC.
QUANTA LVIII ACQUISITION, INC.
QUANTA LIX ACQUISITION, INC.
QUANTA LX ACQUISITION, INC.

QUANTA LXI ACQUISITION, INC.
QUANTA LXII ACQUISITION, INC.
QUANTA LXIII ACQUISITION, INC.
QUANTA LXIV ACQUISITION, INC.
QUANTA LXV ACQUISITION, INC.
QUANTA LXVI ACQUISITION, INC.
QUANTA LXVII ACQUISITION, INC.
QUANTA LXVIII ACQUISITION, INC.
QUANTA LXIX ACQUISITION, INC.
QUANTA LXX ACQUISITION, INC.
QUANTA LXXI ACQUISITION, INC.
QUANTA LXXII ACQUISITION, INC.
QUANTA LXXIII ACQUISITION, INC.
QUANTA UTILITY INSTALLATION CO., INC,
R. A. WAFFENSMITH & CO., INC.
RANGER FIELD SERVICES, INC.
SOUTHEAST PIPELINE CONSTRUCTION, INC.
SOUTHWESTERN COMMUNICATIONS, INC.
SOUTHWEST TRENCHING COMPANY, INC.
SPALJ CONSTRUCTION COMPANY
SPECIALTY DRILLING TECHNOLOGY, INC.
SUMTER UTILITIES, INC.
THE RYAN COMPANY, INC.
TOM ALLEN CONSTRUCTION COMPANY
TRANS TECH ACQUISITION, INC.
TRAWICK CONSTRUCTION COMPANY, INC.
TTGP, INC.
TTLP, INC.
TTM, INC.
TXLP, INC.
UNDERGROUND CONSTRUCTION CO., INC.
UTILCO, INC.
VCI TELCOM, INC.

GUARANTORS' CONSENT AND AGREEMENT

W.C. COMMUNICATIONS, INC.
W.H.O.M. CORPORATION

By: /s/ DANA GORDON

Dana Gordon, President or Vice President of each Guarantor

QDE LLC
QUANTA DELAWARE, INC.
QUANTA ASSET MANAGEMENT LLC

By: /s/ LINDA BUBACZ

Linda Bubacz, President

BROWN ENGINEERING, LLC

By: Ranger Field Services, Inc., Its Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

COAST TO COAST, LLC

By: Environmental Professional Associates, Limited, a California corporation, Its Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

DOT 05, LLC
TJADER, L.L.C.
OKAY CONSTRUCTION COMPANY, LLC

By: Spalj Construction Company, Its Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

GUARANTORS' CONSENT AND AGREEMENT

LAKE NORMAN PIPELINE, LLC

By: Bradford Brothers, Inc., Its Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

MEARS/CPG, LLC
MEARS ENGINEERING, LLC
MEARS/HDD, LLC
MEARS SERVICES, LLC

By: Mears Group, Inc., The Sole Member of each of the foregoing limited liability companies

By: /s/ DANA GORDON

Dana Gordon, Vice President

S.K.S. PIPELINERS, LLC

By: Arby Construction, Inc., Its Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

TNS-VA, LLC

By: Professional Teleconcepts, Inc. (NY), Its Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

LINECO LEASING, LLC

By: Mustang Line Contractors, Inc., Its Sole Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

GUARANTORS' CONSENT AND AGREEMENT

AIRLAN TELECOM SERVICES, L.P.
NORTH HOUSTON POLE LINE, L.P.
LINDSEY ELECTRIC, L.P.
DIGCO UTILITY CONSTRUCTION, L.P.
By: Mejia Personnel Services, Inc., Its General Partner

By: /s/ DANA GORDON

Dana Gordon, Vice President

QUANTA SERVICES MANAGEMENT PARTNERSHIP, L.P.
QUANTA ASSOCIATES, L.P.

By: QSI, Inc., Its General Partner

By: /s/ DANA GORDON

Dana Gordon, Vice President

TRANS TECH ELECTRIC, L.P.

By: TTGP, Inc., Its General Partner

By: /s/ DANA GORDON

Dana Gordon, Vice President

PWR NETWORK, LLC

By: PWR Financial Company, Its Sole Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

Q RESOURCES, LLC

By: Quanta Holdings, Inc.

By: /s/ DANA GORDON

Dana Gordon, Vice President

GUARANTORS' CONSENT AND AGREEMENT

QUANTA RECEIVABLES, L.P.

By: PWR Network, LLC, Its General Partner

By: PWR Financial Company, Its Sole Member

By: /s/ DANA GORDON

Dana Gordon, Vice President

GUARANTORS' CONSENT AND AGREEMENT

EXHIBIT 6.6

COMPLIANCE CERTIFICATE

Quanta Services, Inc. (the "BORROWER"), the various financial institutions from time to time parties thereto (the "LENDERS"), and NationsBank, N.A. d/b/a Bank of America, N.A., as Agent for the Lenders (in such capacity, the "AGENT"), executed and delivered that certain Third Amended and Restated Secured Credit Agreement dated as of June 14, 1999 (as amended, supplemented and restated from time to time, the "CREDIT AGREEMENT"). Any term used but not defined in this Compliance Certificate shall have the meaning given to it in the Credit Agreement.

The undersigned, solely in his or her capacity as _____ of the Borrower hereby certifies to the Agent and the Lenders that:

A. This Compliance Certificate and the attached financial statements are delivered on this ___ day of _____, _____.

B. The attached financial statements are (check one) [ ] monthly financial statements dated _____, [ ] quarterly financial statements dated _____, [ ] annual financial statements dated _____, and fairly present on a consolidated or consolidating basis, as the case may be and as applicable, the balance sheet [,][and]

statements of income [ADD THE FOLLOWING FOR QUARTERLY AND ANNUAL FINANCIAL STATEMENTS:, retained earnings and cash flows] of the Borrower and its Subsidiaries covered thereby as of the date thereof and for the period covered thereby, subject to normal year-end audit adjustments and the omission of any footnotes as permitted by the SEC for any such financial statements that are monthly or quarterly financial statements, [ADD THE FOLLOWING FOR QUARTERLY REPORTING:, together with a summary of asset dispositions during such period and in the aggregate to date under SECTION 6.16(c), (d) and (e) of the Credit Agreement] [ADD THE FOLLOWING FOR MONTHLY REPORTING:, together with an accounts receivable aging summary, and a status report on (i) the contractual obligations of the Borrower as disclosed to the Agent described in CLAUSE (c)(ii) of the definition of "Permitted Charges", and (ii) the top 20 accounts receivable of the Borrower].

C. As of the date of the attached and with respect to the Borrower and its Subsidiaries on a consolidated basis, the following (calculated in accordance with the Credit Agreement):

1. CONSOLIDATED NET WORTH

a.	CONSOLIDATED NET WORTH	$ ----------
b.	Starting Consolidated Net Worth (90% of Consolidated Net Worth as of June 30, 2002 and determined without giving effect to any adjustments made in accordance with SFAS 142)	$ ----------
c.	75% of positive Consolidated Net Income for current fiscal quarter commencing July 1, 2002	$ ----------
d.	100% of any equity issuances	$ ----------
e.	Subchapter S distributions	$ ----------
f.	Permitted Charges (clauses (a) and (b))	$ ----------
g.	FASB 142 charges (when taken together with all other charges previously taken in connection with SFAS 142, shall not, in the aggregate, exceed $800,000,000)	$ ----------
h.	MINIMUM CONSOLIDATED NET WORTH (SUM OF b, d AND d MINUS e, f, (AND g) (Increases in Consolidated Net Worth required after June 30, 2002 shall be appropriately adjusted to eliminate any adverse effects on the Consolidated Net Worth of the Borrower occasioned by the expensing of Modified Make-Whole Amounts (as defined in the Note Purchase Agreement) paid pursuant to Section 4.4 of Amendment No. 1 to the Note Purchase Agreement. The calculation of Consolidated Net Worth shall not take into consideration the non-cash charges related to the Borrower's stock option program or stock compensation plan as required to be taken pursuant to GAAP.)	$ ----------

2. MINIMUM INTEREST COVERAGE RATIO

a.	EBIT	$ ----------
b.	Consolidated Interest Expense (excluding any make-whole payments made in connection with asset sales which result in a mandatory prepayment on the Senior Notes)	$ ----------

c.	INTEREST COVERAGE RATIO (RATIO OF a TO b)	to 1.00 -------
d.	MINIMUM INTEREST COVERAGE RATIO FOR SUCH PERIOD	to 1.00 -------

3. FUNDED DEBT TO EBITDA RATIO

a.	FUNDED DEBT (SUM OF i, ii, AND iii BELOW)	$
	i. Indebtedness for borrowed money	$
	ii. Reimbursement Obligations	$
	iii. Capitalized Lease Obligations	$
b.	EBITDA	$
c.	FUNDED DEBT TO EBITDA RATIO (RATIO OF a TO b)	to 1.00
d.	MAXIMUM FUNDED DEBT TO EBITDA RATIO FOR SUCH PERIOD	to 1.00

4. SENIOR DEBT TO EBITDA RATIO

a.	Senior Debt	$
b.	EBITDA	$
c.	RATIO (RATIO OF a TO b)	to 1.00
d.	MAXIMUM SENIOR DEBT TO EBITDA RATIO FOR SUCH PERIOD	to 1.00

5. MINIMUM ASSET COVERAGE RATIO(1)

a.	Consolidated Net Accounts	$
b.	Consolidated Net PP&E	$
c.	CONSOLIDATED NET ASSETS (SUM OF a PLUS b)	$

- --------

(1) Minimum Asset Coverage Ratio is tested monthly. All other financial covenants are tested quarterly, or annually in the case of Capital Expenditures.

d.	Senior Debt	$
d.	ASSET COVERAGE RATIO (RATIO OF c TO d)	to 1.00
d.	MINIMUM ASSET COVERAGE RATIO FOR SUCH PERIOD	to 1.00

6. CAPITAL EXPENDITURES

a.	Capital Expenditures for such period	$
b.	Capital Expenditures fiscal year to date	$
c.	Portion of Capital Expenditures fiscal year to date, if any, in connection with outsourcing utility contract equal to or greater than $75,000,000 and confirmed by the Agent (subset of b)	$
d.	MAXIMUM CAPITAL EXPENDITURES FOR SUCH FISCAL YEAR (SUM OF (i) $50,000,000 FOR 2002 AND (ii) $60,000,000 FOR 2003 AND THEREAFTER, PLUS c)	$

D. Attached hereto is back-up documentation (in form reasonably acceptable to the Agent) showing information on a Subsidiary by Subsidiary basis supporting the calculations of the financial covenants contained herein.

[FOR QUARTERLY AND ANNUAL COMPLIANCE CERTIFICATE INSERT THE FOLLOWING SECTIONS E AND F:]

E. To the best of my knowledge after due inquiry, all of the

representations and warranties contained in the Credit Agreement are true and correct on the date hereof as if made on the date hereof except, (i) to the extent such representation and warranty relates solely to an earlier date in which case it shall have been true and correct as of such earlier date, (ii) as a result of the transactions expressly permitted under the Credit Agreement, (iii) as previously disclosed to the Lenders or (iv) as to the following matters: [Describe or attach a schedule of all such representations and warranties that are no longer true or correct and, if applicable, what action the Borrower has taken or proposes to take].

]

F. (Check EITHER 1 or 2) To the best of my knowledge after due inquiry:

[ ] 1. As of the date hereof, no Default or Event of Default has occurred and is continuing.

[ ] 2. As of the date hereof, no Default or Event of Default has occurred and is continuing except the following matters: [Describe all such Defaults or Events of Default, specifying the nature, duration and status thereof and what action the Borrower has taken or proposes to take with respect thereto].

Date: , .

QUANTA SERVICES, INC.

By:

Name:

Title:

EXHIBIT 10.30

EMPLOYMENT AGREEMENT

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

RECITALS

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

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

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

AGREEMENTS

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

1. Certain Definitions.

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

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

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

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

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

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

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

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

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

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

4. Terms of Employment.

(a) Position and Duties.

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

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

responsibilities to the Employer.

(b) Compensation.

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

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

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

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

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

policies and programs provide the Employee with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Employee at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the

Employee, those provided generally at any time after the Effective Date to other peer executives of the Employer and its affiliated companies.

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

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

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

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

5. Termination of Employment.

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

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

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

(i) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Employer or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Employee by the Board or

the Chief Executive Officer of the Employer that specifically identifies the manner in which the Board or the Chief Executive Officer believes that the Employee has not substantially performed the Employee's duties, or

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

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

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

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

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

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

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

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

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

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Employee shall be conclusive.

(d) Notice of Termination. Any termination by the Employer for Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 14 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice that (i) indicates the

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

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

6. Obligations of the Employer upon Termination.

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

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

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

described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

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

(ii) all stock options, restricted stock or other awards made or granted under the Quanta Services, Inc. 1997

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

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

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

(v) to the extent not theretofore paid or provided, the Employer shall timely pay or provide to the Employee any other amounts or benefits required to be paid or provided or which the Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of the Employer and its

affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits"); and

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

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

(c) Disability. If the Employee's employment is terminated by

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

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

this Agreement shall terminate without further obligations to the Employee, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the Date of Termination.

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

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

9. Certain Additional Payments by the Employer.

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

taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

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

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

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

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

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

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

provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Employer shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner,

and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Employer shall determine; provided, however, that if the Employer directs the Employee to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Employer's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

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

10. Confidential Information. The Employee shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Employee during the Employee's employment by the Employer or any of its affiliated companies and which shall not be or become public knowledge (other than by acts

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

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

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

13. Successors.

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

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

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

shall mean the Employer as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

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

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

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

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

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

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

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

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

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

QUANTA SERVICES, INC.

/s/ JAMES F. O'NEIL III

JAMES F. O'NEIL III

By: /s/ JOHN R. COLSON

John R. Colson, Chief Executive Officer

EXHIBIT 10.33

AMENDMENT NO. 1
TO
NOTE PURCHASE AGREEMENT

This AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT (this "Amendment"), dated as of August 12, 2002, is made by and among each of QUANTA SERVICES, INC., a Delaware corporation (the "Company") and each of the institutions listed on Annex 1 hereto (such institutions being collectively referred to as the "Noteholders").

BACKGROUND

1. The Company and certain of the Noteholders are parties to that certain Note Purchase Agreement (the "Original Note Purchase Agreement"), dated as of March 1, 2000, that provides, among other things, for the sale by the Company and the purchase by certain of the Noteholders of up to (a) Seventy-Three Million Dollars ($73,000,000) in aggregate principal amount of the Company's 8.46% Series 2000-A Senior Secured Notes, Tranche 1, due March 1, 2005 (the "Series A-1 Notes"), (b) Forty-One Million Five Hundred Thousand Dollars ($41,500,000) in aggregate principal amount of the Company's 8.55% Series 2000-A Senior Secured Notes, Tranche 2, due March 1, 2007 (the "Series A-2 Notes") and (c) Thirty-Five Million Five Hundred Thousand Dollars ($35,500,000) in aggregate principal amount of the Company's 8.61% Series 2000-A Senior Secured Notes, Tranche 3, due March 1, 2010 (the "Series A-3 Notes" and, collectively with the Series A-1 Notes and the Series A-2 Notes, the "Series A Notes"). All of the Series A Notes are currently outstanding.

2. The Original Note Purchase Agreement has been supplemented in certain respects pursuant to a First Supplement to Note Purchase Agreement (the "First Supplement" and, together with the Original Note Purchase Agreement, the "Existing Note Purchase Agreement"), dated as of September 1, 2000, by and among the Company and certain of the Noteholders, that provides, among other things, for the sale by the Company and the purchase by certain of the Noteholders of up to (a) Thirty Million Dollars ($30,000,000) in aggregate principal amount of the Company's 8.01% Series 2000-B Senior Secured Notes, Tranche 1, due September 1, 2005 (the "Series B-1 Notes"), (b) Five Million Dollars ($5,000,000) in aggregate principal amount of the Company's 8.06% Series 2000-B Senior Secured Notes, Tranche 2, due September 1, 2006 (the "Series B-2 Notes") and (c) Twenty-Five Million Dollars ($25,000,000) in aggregate principal amount of the Company's 8.29% Series 2000-B Senior Secured Notes, Tranche 3, due September 1, 2010 (the "Series B-3 Notes" and, collectively with the Series B-1 Notes and the Series B-2 Notes, the "Series B Notes" and the Series B Notes, together with the Series A Notes, the "Notes"). All of the Series B Notes are currently outstanding.

3. The Company has requested of the Noteholders that the Existing Note Purchase Agreement and the Notes be amended to the effect and as set forth in this Amendment.

NOW, THEREFORE, in order to induce the Noteholders to amend the Existing Note Purchase Agreement and the Notes and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Company agrees with the Noteholders as follows:

SECTION 1. DEFINED TERMS.

All capitalized terms used, but not specifically defined, in this Amendment have the respective meanings assigned to them in the Existing Note Purchase Agreement.

SECTION 2. WARRANTIES AND REPRESENTATIONS.

The Company warrants and represents to each Noteholder that as of the date of this Amendment and as of the Effective Date (as defined in Section 3):

2.1 CORPORATE ORGANIZATION AND AUTHORITY. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to transact the business it transacts and proposes to transact, to execute and deliver this Amendment and to perform the provisions hereof.

2.2 NO MATERIAL ADVERSE CHANGE. Since December 31, 2001, except as disclosed in writing to the Noteholders, there has been no change in the business, operations, affairs, financial condition, assets or properties of the Company except for

(a) changes in general, economic, market and industry conditions that are generally applicable to the Company and all other Persons that are in the same or similar businesses as the Company and are similarly situated, and

(b) changes in the ordinary course of business,

that in the aggregate for all such changes, could not reasonably be expected to have a Material Adverse Effect.

2.3 FULL DISCLOSURE. Each written statement and all written materials furnished by, or on behalf of, the Company to the Noteholders pursuant to Sections 7.1 and 7.2 of the Existing Note Purchase Agreement, taken as a whole, and each written statement and all written materials furnished by, or on behalf of, the Company to the Noteholders in connection with this Amendment, taken as a whole, do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein not misleading in light of the circumstances made. There is no fact known to the Company which the Company has not disclosed to the Noteholders in writing which could reasonably be expected to have a Material Adverse Effect.

2.4 TRANSACTION IS LEGAL AND AUTHORIZED. The execution and delivery of this Amendment by the Company, the consummation of each of the transactions contemplated by this Amendment and the compliance by the Company with all the provisions of this Amendment:

(a) are within the corporate powers of the Company;

(b) are in compliance with applicable law;

(c) do not conflict with, result in any breach in any of the provisions of, constitute a default under, or result in the creation of any Lien upon any property of the Company under the

provisions of, any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company; and

(d) do not conflict with, result in any material breach of any of the provisions of, constitute a material default under, or result in the creation of any Lien not permitted by Section 10.5 of the Existing Note Purchase Agreement upon any property of the Company under the provisions of, any agreement, indenture, charter instrument, bylaw or other constitutive document or instrument to which it is a party or by which it or any of its property is bound.

2.5 AMENDMENT IS ENFORCEABLE. This Amendment is a legal, valid and binding and enforceable obligation of the Company, enforceable against the Company in accordance with its terms, except as the enforceability hereof may be limited by applicable bankruptcy, reorganization, arrangement, insolvency, moratorium or other similar laws affecting the enforceability of creditors' rights generally and the application of general equitable principles.

2.6 NO DEFAULTS. The Company is not in violation in any respect of any term in any agreement or other instrument to which it is a party or by which it or any of its property may be bound, except for such violations that, in the aggregate for all such violations, could not reasonably be expected to have a Material Adverse Effect.

2.7 PENDING LITIGATION.

(a) There are no proceedings, actions or investigations pending, or to the knowledge of the Company, threatened against or affecting the Company in any court or before any Governmental Authority or arbitration board or tribunal that, in the aggregate for all such proceedings, actions and investigations, could reasonably be expected to have a Material Adverse Effect.

(b) The Company is not in default with respect to any judgment, order, writ, injunction or decree of any court, Governmental Authority, arbitration board or tribunal that, in the aggregate for all such defaults, could reasonably be expected to have a Material Adverse Effect.

2.8 COMPLIANCE WITH LAW. The Company is not in violation of any law, ordinance, governmental rule or regulation to which it is subject, except for such violations that, in the aggregate for all such violations, could not reasonably be expected to have a Material Adverse Effect.

2.9 NO DEFAULTS. After giving effect to this Amendment, no Default or

Event of Default will exist.

SECTION 3. CONDITIONS PRECEDENT.

This Amendment shall have no effect until all of the following conditions precedent shall have been fulfilled (such time of effectiveness being herein referred to as the "Effective Date"):

(a) WARRANTIES AND REPRESENTATIONS TRUE. After giving effect to this Amendment, the warranties and representations set forth in the Existing Note Purchase Agreement and in Section 2

to this Amendment shall be true in all material respects (unless specifically limited to an earlier date, in which case, such representations and warranties were true as of such date).

(b) NO PROHIBITED ACTION. No Default or Event of Default shall exist after giving effect to, the consummation of the transactions contemplated by this Amendment.

(c) CONSENT OF REQUIRED HOLDERS. The Company and the Required Holders shall have executed this Amendment.

(d) OPINIONS OF COUNSEL. The Noteholders shall have received legal opinions from General Counsel and special counsel to Company and the Guarantors, in form and substance satisfactory to them.

(e) AMENDMENT OF BANK CREDIT AGREEMENT. An Eighth Amendment to the Third Amended and Restated Secured Credit Agreement among the Company, as Borrower, the Financial Institutions party thereto, as Lenders, Bank of America, N.A., as Administrative Agent, and the other agents named therein (as amended, the "Bank Credit Agreement") shall have been entered into by the Company and the Majority Lenders (as such term is defined in the Bank Credit Agreement), shall contain terms satisfactory to the Noteholders, and shall be in full force and effect, subject only to the effectiveness of this Amendment.

(f) COMPLIANCE CERTIFICATES. The Secretary or Assistant Secretary and the President or the Vice President of the Company and each Guarantor shall have delivered to each Noteholder a certificate, dated the date hereof, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of this Amendment or its consent, as applicable, containing substantially the substance of Attachment A hereto.

(g) PAYMENT OF NOTEHOLDER FEES AND EXPENSES. The Company shall have paid all fees and expenses of the Noteholders incurred in connection with this Amendment for which invoices have been delivered, including the fees and expenses of Bingham McCutchen LLP and Chapman & Cutler.

(h) GUARANTORS' CONSENT. The Guarantors shall have executed and delivered the Consent attached hereto as Attachment B.

(i) PAYMENT OF AMENDMENT FEE. The Company shall have paid each Noteholder an amendment fee equal to 0.375% of the aggregate outstanding principal amount of the Notes held by such Noteholder.

(j) PROCEEDINGS SATISFACTORY. All proceedings taken in connection with the execution and delivery of this Amendment and the transactions contemplated hereby shall be satisfactory to the Noteholders and their special counsel; and the Noteholders and their special counsel shall have received copies of such documents and papers as they may reasonably request in connection with the execution and delivery of this Amendment.

SECTION 4. AFFIRMATIVE COVENANTS

4.1 COLLATERAL REVIEW. Within sixty (60) days of the Effective Date, the Noteholders shall select a nationally recognized accounting firm (the "Financial Advisor") to perform a review of the Company's finances including, without limitation, a review of the Collateral and an examination of the Company's and its Subsidiaries' accounts receivable, work-in-process, backlog and other matters reasonably requested by the Noteholders. The Company shall pay all reasonable fees and expenses of the Financial Advisor.

4.2 REAL ESTATE COLLATERAL. Without limiting the terms, covenants, conditions or other obligations set forth in Section 9.6 of the Existing Note Purchase Agreement, within sixty (60) days of the Effective Date, the Company shall, and shall cause its Subsidiaries to, execute and deliver mortgages or deeds or trust, as applicable, and in form and substance satisfactory to the Required Holders, granting to the Collateral Agent for the benefit of the Bank Lenders and the Noteholders, a first priority Lien upon, and security interest in, the real property owned by the following Subsidiaries:

(i) Dillard Smith Construction Company,

(ii) Golden State Utility Co.,

(iii) H.L. Chapman Pipeline Construction, Inc.,

(iv) Mears Group, Inc.

(v) North Houston Pole Line, L.P.,

(vi) PAR Electrical Contractors, Inc.

(vii) Potelco, Inc.,

(viii) R.A. Waffensmith & Company, Inc.

(ix) Sumter Utilities, Inc.

(x) Underground Construction Co., Inc.

Such property shall be subject to no other Liens than Liens permitted by Section 10.5 of the Existing Note Purchase Agreement. In addition, the Company shall, at its sole cost and expense, deliver such surveys, mortgagee title policies, environmental assessment reports, evidence of insurance from an insurer acceptable to the Required Holders naming the Collateral Agent (as such term is defined in the Intercreditor Agreement) as "loss payee" and "additional insured", as the case may be, and other related documents reasonably requested by the Required Holders, in each case in form and substance satisfactory to the Required Holders.

4.3 NOTICE OF INTEREST RATE CHANGES. Within sixty (60) days after the end of each quarterly fiscal period in each fiscal year, the Company shall provide each Noteholder with a calculation of the Applicable Margin for such quarterly fiscal period, which, in the case of the first three fiscal quarters of each

fiscal year, may be included in the compliance certificate required by Section 7.2(a) of the Existing Note Purchase Agreement.

4.4 SPECIAL PREPAYMENT OF PRINCIPAL. Promptly after the receipt thereof, the Company shall apply:

(a) one hundred percent (100%) of the net proceeds from collections of that portion of any accounts receivable owed by account debtors previously specified in writing to the Noteholders that have been written off as doubtful of collection and which are included in the definition of "Permitted Charges", and

(b) one hundred percent (100%) of the net proceeds of asset sales made pursuant to Section 10.7(d) or Section 10.7(e),

in each case, to prepayment of the principal amount of the Notes and the Debt under the Bank Credit Agreement, pro-rata, based upon the Bank Lenders' (as such term is defined in the Bank Credit Agreement) Commitment Amount at such time and the aggregate outstanding principal amount of the Notes at such time. Modified Make-Whole Amount shall be due and payable, from such proceeds, with respect to any such prepayment of Notes under this Section 4.4. Amounts paid to the Noteholders pursuant to this Section 4.4 shall be applied first to the applicable Modified Make-Whole Amount and the remainder to the principal amount of the Notes. For purposes of this Section 4.4, "net proceeds" shall mean all proceeds of such sale or other disposition net of usual and customary transaction costs and expenses actually incurred in connection with such sale or disposition.

SECTION 5. AMENDMENTS TO EXISTING NOTE PURCHASE AGREEMENT.

5.1 The definition of "Change of Control" contained in Section 8.7(h) of the Existing Note Purchase Agreement is hereby amended by adding the following after "directors" appearing in the eighth line thereof:

"; or, individuals who on June 14, 1999, constituted the Company's Board of Directors, or their approved successors, cease for any reason to constitute at least a majority of the Company's Board of Directors. An approved successor is a new director elected when the election or nomination for the election by the Company's stockholders of such new director was approved by a vote of at least two-thirds of the directors then still in office who were directors on June 14, 1999, or their approved successors."

5.2 Article 9 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 9.7:

"9.7. Maintenance of Most Favored Lender Status. The Company hereby acknowledges and agrees that if, on or before June 30, 2004, the Company shall enter into any agreement or amendment with any lender or holder of its Funded Debt which provides, for the benefit of any such lender or holder, any covenant that is in addition to, or more favorable to such Person than, the covenants contained in this Agreement, then, and in each and any such event, the covenants in this Agreement shall be, and shall be deemed to be, without any further action on the

part of the Company or any other Person being necessary or required, amended to afford the holders of the Notes the same benefits and rights with respect to such matters as such agreements or amendments provide to any such other lender or holder. In addition, if, on or before June 30, 2004, the Company amends the Bank Credit Agreement to increase the Applicable Margin paid to the Bank Lenders thereunder, the Company will execute and deliver to the Noteholders an amendment to this Agreement to provide the Noteholders a corresponding increase in the Applicable Margin. The Company will promptly deliver to each holder of Notes a copy of each such agreement or amendment entered into after the date hereof. Without limiting the effectiveness of the first sentence of this Section 9.7, the Company agrees, no later than thirty (30) days following the date of such agreement or amendment, to enter into such documentation as the Required Holders may reasonably request to evidence the amendments provided for in this Section 9.7."

5.3 Section 10.1 of the Existing Note Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 10.1 Minimum Consolidated Net Worth. Prior to June 30, 2004, the Company will maintain a minimum Consolidated Net Worth of not less than an amount equal to the sum of (a) 90% of Consolidated Net Worth as of June 30, 2002 (determined without giving effect to any adjustments made in accordance with FAS 142), plus (b) for each fiscal quarter ended prior to (but not on) such date of determination, commencing with the fiscal quarter ended June 30, 2002, the sum of (i) an amount equal to 75% of Consolidated Net Income for such fiscal quarter, if positive, plus (ii) an amount equal to 100% of the amount of any equity issuance by the Company, including equity issued in a secondary offering or equity issued to acquire another entity in an Acquisition, minus (iii) any distributions to shareholders of any Subchapter S corporation acquired in an Acquisition as a result of operations of such corporation prior to the closing of the Acquisition, minus (iv) Permitted Charges referenced in clauses (a) and (b) of such definition which are applicable to such period, and minus (v) charges taken in accordance with FAS 142 in conformity with GAAP at any time during the period from June 30, 2002 to and including June 30, 2004, which do not exceed $800,000,000 in the aggregate. Increases in Consolidated Net Worth required after June 30, 2002 shall be appropriately adjusted to eliminate any adverse effects on the Consolidated Net Worth of the Company occasioned by the expensing of Modified Make-Whole Amounts paid pursuant to Section 4.4 of Amendment No. 1. The calculation of Consolidated Net Worth under this Section 10.1 shall not take into consideration the non-cash charges related to the Company's stock option program or stock compensation plan required to be taken pursuant to GAAP". Subsequent to June 30, 2004, the foregoing provisions of this Section 10.1 shall continue to be applicable in all respects except that the percentage of Consolidated Net Income required to be added each quarter shall be reduced from 75% to 50%.

5.4 Section 10.2 of the Existing Note Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 10.2. Limitation on Consolidated Debt. The Company will not, as of the final day of any period of four consecutive fiscal

quarters of the Company ending at any time during any period specified below, permit the ratio of Funded Debt at such time to EBITDA for the

trailing four quarter period (in each case for the Company and its Subsidiaries on a consolidated basis) to be greater than the ratio set forth below opposite such period:

<Table>
<Caption>

PERIOD	RATIO
<S>	<C>
June 30, 2002	3.50 to 1.00
July 1, 2002 through September 30, 2002	4.30 to 1.00
October 1, 2002 through December 31, 2002	4.40 to 1.00
January 1, 2003 through March 31, 2003	4.50 to 1.00
April 1, 2003 through June 30, 2003	4.10 to 1.00
July 1, 2003 through September 30, 2003	4.00 to 1.00
October 1, 2003 and at all times thereafter	3.50 to 1.00"

</Table>

5.5 Section 10.4 of the Existing Note Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 10.4. Minimum Interest Coverage Ratio. The Company will not, for any period of four consecutive fiscal quarters of the Company ending at any time during any period specified below, permit the Minimum Interest Coverage Ratio to be less than the ratio set forth below opposite such period:

<Table>
<Caption>

PERIOD	RATIO
<S>	<C>
June 30, 2002	3.00 to 1.00
July 1, 2002 through September 30, 2002	2.40 to 1.00
October 1, 2002 through December 31, 2002	2.00 to 1.00
January 1, 2003 through March 31, 2003	1.70 to 1.00
April 1, 2003 through June 30, 2003	1.90 to 1.00
July 1, 2003 through September 30, 2003	2.10 to 1.00
October 1, 2003 through June 30, 2004	2.30 to 1.00
July 1, 2004 and at all times thereafter	2.50 to 1.00"

</Table>

5.6 Section 10.7 of the Existing Note Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 10.7. Sale of Assets. The Company will not, and will not permit any Subsidiary to, sell, lease or otherwise dispose of any of the assets of the Company and its Subsidiaries; except for:

(a) transfers of inventory in the ordinary course of business;

(b) retirement or replacement of assets (with assets of equal or greater value) in the ordinary course of business;

(c) transfers of any assets (i) to a non-domestic Subsidiary of the Company not to exceed $5,000,000 in the aggregate; and (ii) among the Company and any of its domestic subsidiaries.

(d) sales, transfers or conveyances of accounts receivable for fair and adequate consideration and for cash; provided that all proceeds from the sale, transfer or conveyance of such assets are applied in accordance with Section 4.4 of Amendment No. 1; and

(e) dispositions which generate net proceeds of up to (i) $50,000,000 in the aggregate during the period from the Effective Date through June 14, 2004, and (ii) $50,000,000 in any period of twelve (12) consecutive months during the period from June 15, 2004, through September 1, 2010; provided that the aggregate net proceeds generated by asset dispositions

during the period June 15, 2004 through September 1, 2010 shall not exceed $150,000,000; and provided further that one hundred percent (100%) of all such proceeds received on and after the Effective Date shall be applied in accordance with Section 4.4 of Amendment No. 1."

5.7 Section 10.9 of the Existing Note Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 10.9. Transactions with Affiliates. The Company will not and will not permit any Subsidiary to enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate. Notwithstanding anything in this Section 10.9 to the contrary, neither the Company nor any of its Subsidiaries shall, at any time, make or have outstanding any loans or advances to any employee, stockholder, officer or director of the Company or any of its Subsidiaries, except loans and advances which do not at any time aggregate more than $2,000,000 at any time outstanding prior to June 30, 2004, and more than $5,000,000 at any time outstanding thereafter and which are made in compliance with all applicable laws and regulations.

5.8 Article 10 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 10.11:

"Section 10.11. Maximum Senior Debt to EBITDA. The Company will not, as of the final day of any period of four consecutive fiscal quarters of the Company ending at any time during any period specified below, permit the ratio of Senior Debt at such time to EBITDA for the trailing four quarter period (in each for the Company and its Subsidiaries on a consolidated basis) to be greater than the ratio set forth below opposite such period:

<Table>
<Caption>

PERIOD	RATIO
<S>	<C>
June 30, 2002	3.00 to 1.00
July 1, 2002 through March 31, 2003	3.10 to 1.00
April 1, 2003 through June 30, 2003	2.80 to 1.00
July 1, 2003 through September 30, 2003	2.75 to 1.00
October 1, 2003 through June 30, 2004	2.50 to 1.00
July 1, 2004 and thereafter	2.75 to 1.00"

</Table>

5.9 Article 10 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 10.12:

"Section 10.12. Minimum Asset Coverage. The Company will not, on the final day of any month ending during any period specified below, permit the Minimum Asset Coverage Ratio to be less than the ratio set forth below opposite such period:

<Table>
<Caption>

PERIOD	RATIO
<S>	<C>
Effective Date through December 31, 2002	1.55 to 1.00
January 1, 2003 through June 30, 2004	1.65 to 1.00
July 1, 2004 and thereafter	1.50 to 1.00"

</Table>

5.10 Article 10 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 10.13:

"Section 10.13. Limitation on Acquisitions. Neither the Company nor any Subsidiary shall make an Acquisition prior to January 1, 2005."

5.11 Article 10 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 10.14:

"Section 10.14. Limitation on Restricted Payments. The Company shall make no Restricted Payment prior to September 21, 2005 other than required dividends in respect of currently outstanding Preferred Stock, not to exceed $1,000,000 in any year. Thereafter, the Company may make aggregate Restricted Payments each year of up to $3,000,000, and may make Restricted Payments in excess of $3,000,000 in any year to the extent that the aggregate amount of such payments in excess of $3,000,000 made after September 21, 2005, does not at any time exceed the sum of (i) 50% of Consolidated Net Income generated, plus (ii) 50% of the net proceeds received by the Company from sales of its equity securities, in each case subsequent to December 31, 2003, plus (iii) $10,000,000. Anything to the contrary in the foregoing notwithstanding, the Company shall make no Restricted Payment at any time if a Default or Event of Default exists or would exist after giving effect to such payment."

5.12 Article 10 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 10.15:

"Section 10.15. Capital Expenditures Limitation. (a) Neither the Company nor any of its Subsidiaries shall make or commit to make Capital Expenditures greater than (i) for fiscal year 2002, $60,000,000, (ii) for fiscal year 2003 and 2004, $50,000,000 and (iii) for each fiscal year thereafter, $85,000,000. No portion of any annual limit may be carried forward to a subsequent fiscal year.

(b) In addition to the annual limits under subsection (a) of this Section 10.15, if the Company executes an eligible contract, then the Company may make Capital Expenditures in respect of such contract in an amount equal to the lesser of (i) the actual amount required by such contract, and (ii) $15,000,000, provided that, (A) in respect of each such contract, Capital Expenditures not made within 12 months after the date of such contract shall be applied against the annual limits under subsection (a) of this Section 10.15, and (B) the amount of Capital Expenditures under this Section 10.15(b) for all such contracts may not, in the aggregate, exceed $15,000,000 in any fiscal year. Upon execution of each eligible contract, the Company shall promptly deliver a copy of such contract to each Noteholder, together with a summary of the Capital Expenditures required by such contract in form and detail acceptable to the Noteholders. As used in this Section 10.15(b), "eligible contract" means, a utility outsourcing contract with revenues to the Company of at least $75,000,000 during any 12 consecutive month period prior to 18 months after execution of such contract."

5.13 Article 10 of the Existing Note Purchase Agreement is hereby amended by adding the following new Section 10.16:

"Section 10.16. Additional Indebtedness. Prior to June 30, 2004 or any refinancing of the Bank Credit Agreement existing on the date of Amendment No. 1, the Company and its Subsidiaries shall not incur, assume or suffer to exist any Debt (including, without limitation, any Guaranty), except Debt permitted by Section 6.14 of the Bank Credit Agreement as in effect on the Effective Date.

5.14 Schedule B of the Existing Note Purchase Agreement is hereby amended by deleting the definitions of "Enron Subordinated Debt", "Interest Charges Coverage Ratio" and "Management Fees" set forth therein, and adding the following definitions in their appropriate alphabetical order as follows:

"ACQUISITION" means a direct or indirect purchase by the Company or any of its Subsidiaries for cash, stock or other securities or property, whether in one or more related transactions, of all or substantially all of the assets, or more than 50% of voting securities or other equity interests, of a Person or a division, group or other business unit of a Person. Mergers and consolidations among any one or more of the Company and its Subsidiaries permitted by Section 10.6 of this Agreement shall not be considered an Acquisition."

"AMENDMENT NO. 1" means that certain Amendment No. 1 to this Note Purchase Agreement, dated as of August 12, 2002."

"APPLICABLE MARGIN" means, during any fiscal quarter with respect to which the Company's ratio of Funded Debt to EBITDA is (a) less than 2.00, .25%; (b) equal to or greater than 2.00 but less than or equal to 2.50, .50%; (c) more than 2.50 and equal to or less than 3.00, .75%, (d) more than 3.00 and equal to or less than 3.50, 1.00%, and (e) greater than 3.50, 1.50%; provided, however, that the Applicable Margin for the period commencing on the Effective Date and ending September 30, 2002 shall be 1.50%. If at June 30, 2004 or any time thereafter, the ratio measured by Section 10.2 has been 2.5 or less for four consecutive quarters, the Applicable Margin shall at all times thereafter be zero percent (0%)".

"BASE RATE" means, the Series A-1 Base Rate, Series A-2 Base Rate, Series A-3 Base Rate, Series B-1 Base Rate, Series B-2 Base Rate or the Series B-3 Base Rate, as applicable."

"CAPITAL EXPENDITURES" means, for any period, the sum, without duplication, of all expenditures of the Company and its Subsidiaries for fixed or capital assets made during such period which, in accordance with GAAP, are required to be classified as capital expenditures, in each case excluding all such expenditures incurred by any entity or business acquired in an Acquisition prior to the date of such Acquisition."

"COMMITMENT AMOUNT" has the meaning ascribed to such term in the Bank Credit Agreement.

"CONSOLIDATED INTEREST EXPENSE" means, for any period, total interest expense of the Company and its Subsidiaries on a consolidated basis for such period in connection with Debt (including, without limitation, Make-Whole Amount or Modified Make-Whole Amount, as applicable, paid in connection with the prepayment of the Notes), determined in accordance with GAAP.

"CONSOLIDATED NET ACCOUNTS" means, as of any date of determination, accounts receivable set out in the consolidated balance sheet of the Company and its Subsidiaries as accounts receivable, net of allowances, and in each case, as determined in accordance with GAAP."

"CONSOLIDATED NET ASSETS" means, as of any date of determination, the sum of (a) Consolidated Net Accounts, plus (b) Consolidated Net PP&E."

"CONSOLIDATED NET PP&E" means, as of any date of determination, the difference of (a) total property, plant and equipment of the Company and its Subsidiaries set out in the consolidated balance sheet of the Company and its Subsidiaries, minus (b) accumulated depreciation expense attributed to such items, set out in the consolidated balance sheet of the Company and its Subsidiaries as "property and equipment, net", and in each case, as determined in accordance with GAAP."

"CONSOLIDATED NET WORTH" means the consolidated stockholder's equity of the Company and its Subsidiaries, as determined in accordance with GAAP.

"EBIT" means, for any period, on a trailing four fiscal quarter basis, the sum of Consolidated Net Income plus, without duplication, each of the following to the extent actually deducted in determining Consolidated Net Income: (a) Consolidated Interest Expense; (b) provisions for taxes based on income or revenues; (c) provisions made in accordance with FAS 142 which, together with all other charges theretofore taken in connection with FAS 142, do not exceed $800,000,000 in the aggregate; (d) to the extent applicable, Permitted Charges; and (e) non-cash charges related to the Company's stock option program or stock compensation plan as required to be taken pursuant to GAAP, in each case calculated on a consolidated basis for the Company and its Subsidiaries and as determined in accordance with GAAP."

"EBITDA" means, for any period, on a trailing four fiscal quarter basis (using the historical financial results of any business acquired in an Acquisition through the Effective Date, to the extent applicable, all on a pro forma basis, consistent with SEC regulations), the sum of Consolidated Net Income plus, without duplication, each of the following to the extent actually deducted in determining Consolidated Net Income: (a) Consolidated Interest Expense; (b) provisions for taxes based on income or revenues; (c) the amount of all depreciation and amortization expense deducted in determining Consolidated Net Income; (d) charges taken in accordance with FAS 142

which, together with all other charges theretofore taken in connection with FAS 142, do not exceed $800 million in the aggregate; (e) without duplication, Permitted Charges; and (f) without duplication, Non-Cash Charges, all calculated on a consolidated basis for the Company and its Subsidiaries and as determined in accordance with GAAP. Upon the consummation of any Acquisition after the Effective Date, EBITDA may be calculated, subject to the immediately following sentence, using a calculation which (y) includes the historical financial results of the acquired business on a pro forma trailing four fiscal quarter basis (consistent with SEC regulations), and (z) assumes that the consummation of such Acquisition (and the incurrence, refinancing, or assumption of any Debt in connection with such Acquisition) occurred on the first day of the trailing four fiscal quarter period. The foregoing adjustment to EBITDA to take into account an Acquisition may only be made if the balance sheet and statements of income, retained earnings, and cash flows of the acquired Person (or the Person from whom the assets, securities or other equity interests were acquired), are in compliance with SEC regulations and requirements regarding the preparation and presentation of historical financial information and pro forma financial information."

"FAS 142" means SFAS No. 142 "Goodwill and other Intangible Assets" promulgated by the Financial Accounting Standards Board in July 2001.

"FUNDED DEBT" means, as of any date of determination, the sum, without duplication, of the following for the Company and its Subsidiaries: (i) Debt for borrowed money, all obligations evidenced by bonds, debentures, notes or similar instruments, and purchase money obligations which in accordance with GAAP would be shown on the consolidated balance sheet of the Company as a liability, (ii) all LC Obligations (as such term is defined in the Bank Credit Agreement), and all reimbursement obligations relative to the face amount of all other letters of credit issued for the account of the Company or any of its Subsidiaries, and (iii) all Capital Lease Obligations.

"INTEREST RATE PROTECTION AGREEMENT" means any hedge, swap, exchange, forward, future collar or cap arrangements, fixed price agreements or other agreements or arrangements designed to protect against fluctuations in interest rates.

"MINIMUM ASSET COVERAGE RATIO" means, when determined, the ratio of (a) Consolidated Net Assets, to (b) Senior Debt."

"MINIMUM INTEREST COVERAGE RATIO" means, for any period, on a trailing four fiscal quarter basis, the ratio of (a) EBIT, to (b) the sum of Consolidated Interest Expense (excluding any Make-Whole Amount or Modified Make-Whole Amount, as applicable, paid in connection with asset sales which result in a mandatory prepayment on the Senior Notes), plus the amount of any dividend or distribution recognized in respect of the Preferred Stock during such period."

"MODIFIED MAKE-WHOLE AMOUNT" means, at any time, the Make-Whole Amount computed as if interest on each Note will accrue, at all times, at the Base Rate applicable to such Note, regardless of whether such Base Rate is the rate of interest currently in effect for such Note."

"NON-CASH CHARGES" means, for any period, the amount of non-cash charges during such period properly taken in accordance with GAAP; provided that, if any cash outlay is made during such period in respect of such non-cash charge, only the amount of such non-cash charge which exceeds the amount of the cash outlay may be added back to Consolidated Net Income for purposes of calculating EBITDA."

"PERMITTED CHARGES" means, for any period, on a trailing four fiscal quarter basis, expenses, write-offs or losses, which in each case have been (a) paid, incurred or realized on or before June 30, 2003, (b) disclosed to the Required Holders in such detail as the Required Holders deem acceptable, and (c) determined in accordance with GAAP, and which relate to:

(a) employee terminations, equipment sales, operating lease termination expenses, and real estate lease terminations (including related clean-up and moving charges) which, in the aggregate do not exceed $29,000,000, provided that, cash payments in connection with the items under this clause (a), may not, in the aggregate, exceed $20,000,000,

(b) accounts receivable, notes receivable, retainage,

costs and earnings in excess of billing, and other amounts which (i) are either (A) set out in the consolidated balance sheet of the Company and its Subsidiaries for the fiscal quarter ended June 30, 2002 as net of allowances or (B) disclosed in writing to the Required Holders on August 12, 2002 or (ii) relate to the contractual obligations of Company or its Subsidiaries existing on June 30, 2002 as disclosed in writing to the Required Holders on August 12, 2002, and which have been charged off as doubtful for collection, provided that, such amounts may not, in the aggregate, exceed $62,000,000,

(c) the proxy contest with Utilicorp, and which do not, in the aggregate, exceed $13,000,000, and

(d) advisory, legal, and bank fees and expenses in connection with the negotiation, execution and delivery of the Eighth Amendment to the Bank Credit Agreement and Amendment No. 1, and related third party due diligence conducted in connection therewith, and which do not, in the aggregate, exceed $3,500,000, and (ii) non-cash expenses related to prior financing transaction costs and expenses which have been capitalized and are required to be expensed in accordance with GAAP."

"RESTRICTED PAYMENT" means, in respect of any corporation, association or other business entity:

(a) dividends or other distributions or payments on capital stock or other equity interest of such corporation, association or other business entity (except distributions in such stock or other equity interest); and

(b) the redemption or acquisition of such stock or other equity interests or of warrants, rights or other options to purchase such stock or other equity interests (except when solely in exchange for such stock or other equity interests) unless made, contemporaneously, from the net proceeds of a sale of such stock or other equity interests.

"SERIES A-1 BASE RATE" means 8.46%.

"SERIES A-1 INTEREST RATE" means, with respect to any fiscal quarter of the Company, the Series A-1 Base Rate, plus the Applicable Margin with respect to the immediately preceding fiscal quarter.

"SERIES A-2 BASE RATE" means 8.55%.

"SERIES A-2 INTEREST RATE" means, with respect to any fiscal quarter of the Company, the Series A-2 Base Rate, plus the Applicable Margin with respect to the immediately preceding fiscal quarter.

"SERIES A-3 BASE RATE" means 8.61%.

"SERIES A-3 INTEREST RATE" means, with respect to any fiscal quarter of the Company, the Series A-3 Base Rate, plus the Applicable Margin with respect to the immediately preceding fiscal quarter.

"SERIES B-1 BASE RATE" means 8.01%.

"SERIES B-1 INTEREST RATE" means, with respect to any fiscal quarter of the Company, the Series B-1 Base Rate, plus the Applicable Margin with respect to the immediately preceding fiscal quarter.

"SERIES B-2 BASE RATE" means 8.06%.

"SERIES B-2 INTEREST RATE" means, with respect to any fiscal quarter of the Company, the Series B-2 Base Rate, plus the Applicable Margin with respect to the immediately preceding fiscal quarter.

"SERIES B-3 BASE RATE" means 8.29%.

"SERIES B-3 INTEREST RATE" means, with respect to any fiscal quarter of the Company, the Series B-3 Base Rate, plus the Applicable Margin with respect to the immediately preceding fiscal quarter.

"UTILICORP" means Aquila, Inc., a Delaware corporation (f/k/a UtiliCorp United Inc.)."

5.15 The Series A-1 Notes outstanding on the Effective Date of this Amendment, without any further action required on the part of any other Person, are deemed to be automatically amended to conform to, and to have the terms provided in, Exhibit A-1 attached hereto. Existing Series A-1 Notes may, but need not, be surrendered for replacement Notes in accordance with Section 13.2 of the Existing Note Purchase Agreement. Each Series A-1 Note issued on or after the Effective Date of this Amendment shall be in the form of Exhibit A-1 attached hereto.

5.16 The Series A-2 Notes outstanding on the Effective Date of this Amendment, without any further action required on the part of any other Person, are deemed to be automatically amended to conform to and have the terms provided in Exhibit A-2 attached hereto. Existing Series A-2 Notes may, but need not, be surrendered for replacement Notes in accordance with Section 13.2 of the Existing Note Purchase Agreement. Each Series A-2 Note issued on or after the Effective Date of this Amendment shall be in the form of Exhibit A-2 attached hereto.

5.17 The Series A-3 Notes outstanding on the Effective Date of this Amendment, without any further action required on the part of any other Person, are deemed to be automatically amended to conform to and have the terms provided in Exhibit A-3 attached hereto. Existing Series A-3 Notes may, but need not, be surrendered for replacement Notes in accordance with Section 13.2 of the Existing Note Purchase Agreement. Each Series A-3 Note issued on or after the Effective Date of this Amendment shall be in the form of Exhibit A-3 attached hereto.

5.18 The Series B-1 Notes outstanding on the Effective Date of this Amendment, without any further action required on the part of any other Person, are deemed to be automatically amended to conform to and have the terms provided in Exhibit B-1 attached hereto. Existing Series B-1 Notes may, but need not, be surrendered for replacement Notes in accordance with Section 13.2 of the Existing Note Purchase Agreement. Each Series B-1 Note issued on or after the Effective Date of this Amendment shall be in the form of Exhibit B-1 attached hereto.

5.19 The Series B-2 Notes outstanding on the Effective Date of this Amendment, without any further action required on the part of any other Person, are deemed to be automatically amended to conform to and have the terms provided in Exhibit B-2 attached hereto. Existing Series B-2 Notes may,

but need not, be surrendered for replacement Notes in accordance with Section 13.2 of the Existing Note Purchase Agreement. Each Series B-2 Note issued on or after the Effective Date of this Amendment shall be in the form of Exhibit B-2 attached hereto.

5.20 The Series B-3 Notes outstanding on the Effective Date of this Amendment, without any further action required on the part of any other Person, are deemed to be automatically amended to conform to and have the terms provided in Exhibit B-3 attached hereto. Existing Series B-3 Notes may, but need not, be surrendered for replacement Notes in accordance with Section 13.2 of the Existing Note Purchase Agreement. Each Series B-3 Note issued on or after the Effective Date of this Amendment shall be in the form of Exhibit B-3 attached hereto.

5.21 Schedule 5.4 to the Existing Note Purchase Agreement is hereby replaced with Schedule 5.4 hereto.

5.22 Schedule 5.15 to the Existing Note Purchase Agreement is hereby amended to read: "Debt reflected on the balance sheet of the Company as of June 30, 2002."

5.23 For the purposes of calculating financial covenants in the Existing Note Purchase Agreement, as amended by Amendment No. 1, for the fiscal quarter ended June 30, 2002, the parties acknowledge and agree that the Company may calculate such financial covenants utilizing the terms contained in Amendment No. 1 and agree to permit retroactive application of such terms for this limited purpose.

SECTION 6. EFFECT OF AMENDMENT.

Except as expressly provided in this Amendment, the Existing Note Purchase Agreement and the Notes shall remain in full force and effect, without modification or amendment. This Amendment shall be binding upon, and shall inure to the benefit of, the successors and assigns of the parties hereto and the holders from time to time of the Notes.

SECTION 7. SURVIVAL.

All warranties, representations, certifications and covenants made by the Company in this Amendment or in any certificate or other instrument delivered by the Company or on its behalf under this Amendment shall be considered to have been relied upon by the Noteholders and shall survive the execution of this Amendment, regardless of any investigation made by or on behalf of any Noteholder. All statements in any such certificate or other instrument in connection with this Amendment shall constitute warranties and representations of the Company under this Amendment.

SECTION 8. DUPLICATE ORIGINALS; EXECUTION IN COUNTERPART.

Two or more duplicate originals of this Amendment may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Amendment may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by the Company and the Required Holders (subject to Section 3 hereof) each as a party to this Amendment, and each set of counterparts which, collectively, show execution by each such party to this Amendment shall constitute one duplicate original.

SECTION 9. GOVERNING LAW.

THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, NEW YORK LAW WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

[REMAINDER OF PAGE INTENTIONALLY BLANK. NEXT PAGE IS SIGNATURE PAGE.]

IN WITNESS WHEREOF, the Company and the Noteholders have executed this Amendment as of the date first above written.

QUANTA SERVICES, INC.

By: /s/ James H. Haddox

Name: James H. Haddox
Title: Chief Financial Officer

ACCEPTED AND AGREED TO:

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: David L. Babson and Company
Incorporated, as Investment Advisor

By: /s/ Richard C. Morrison

Name: Richard C. Morrison
Title: Managing Director

C.M. LIFE INSURANCE COMPANY

By: David L. Babson and Company
Incorporated, as Investment Advisor

By: /s/ Richard C. Morrison

Name: Richard C. Morrison
Title: Managing Director

UNITED OF OMAHA LIFE INSURANCE COMPANY

By: /s/ Edwin H. Garrison Jr.

Name: Edwin H. Garrison Jr.
Title: First Vice President

COMPANION LIFE INSURANCE COMPANY

By: /s/ Edwin H. Garrison Jr.

Name: Edwin H. Garrison Jr.
Title: Authorized Representative

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: New York Life Insurance Company

By: /s/ A. Post Howland

Name: A. Post Howland
Title: Vice President

MINNESOTA LIFE INSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: /s/ Joseph Gogola

Name: Joseph Gogola
Title: Vice President

AMERICAN FIDELITY ASSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: /s/ James F. Geiger

Name: James F. Geiger
Title: Vice President

MTL INSURANCE COMPANY

By: Advantus Capital Management, Inc.

By: /s/ David R. Hackney

Name: David R. Hackney
Title: Vice President

UNITY MUTUAL LIFE INSURANCE COMPANY - ANNUITY PORTFOLIO

By: Advantus Capital Management, Inc.

By: /s/ David Land

Name: David Land
Title: Vice President

QUANTA SERVICES, INC. AMENDMENT NO. 1 TO NOTE PURCHASE AGREEMENT

PROTECTIVE LIFE INSURANCE COMPANY

By: /s/ Stephen M. Liberatore

Name: Stephen M. Liberatore
Title: Vice President/Portfolio Manager

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Bill Schmidt

Name: Bill Schmidt
Title: Authorized Signatory

By: /s/ Ronald A. Mendel

Name: Ronald A. Mendel
Title: Authorized Signatory

AMERICAN HERITAGE LIFE INSURANCE COMPANY

By: /s/ Bill Schmidt

Name: Bill Schmidt
Title: Authorized Signatory

By: /s/ Ronald A. Mendel

Name: Ronald A. Mendel
Title: Authorized Signatory

THE TRAVELERS INSURANCE COMPANY, FOR ITSELF
AND TWO OF ITS SEPARATE ACCOUNTS

By: /s/ Robert M. Mills

Name: Robert M. Mills
Title: Investment Officer

SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY

By: /s/ Carol Robertson

Name: Carol Robertson, CPA
Title: Portfolio Manager,
Fixed Income

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

By: Provident Investment Management, LLC, its Agent

By: /s/ David Fussell

Name: David Fussell
Title: Senior Vice President

UNUM LIFE INSURANCE COMPANY OF AMERICA

By: Provident Investment Management, LLC, its Agent

By: /s/ David Fussell

Name: David Fussell
Title: Senior Vice President

THRIVENT FINANCIAL FOR LUTHERANS (FORMERLY AID ASSOCIATION FOR LUTHERANS AND SUCCESSOR BY MERGER TO LUTHERAN BROTHERHOOD)

By: /s/ Glen Vanic

Name: Glen Vanic
Title: Portfolio Manager

PHOENIX LIFE INSURANCE COMPANY

By: /s/ John H. Beers

Name: John H. Beers
Title: Vice President

GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY

By: /s/ Tad Anderson

Name: Tad Anderson
Title: Manager Investments

By: /s/ Mark Corbett

Name: Mark Corbett
Title: Senior Vice President

MODERN WOODMEN OF AMERICA

By: /s/ Nick Coin

Name: Nick Coin
Title: Treasurer & Investment Manager

AMERICAN UNITED LIFE INSURANCE COMPANY

By: /s/ Christopher D. Pahlke

Name: Christopher D. Pahlke
Title: Vice President

PIONEER MUTUAL LIFE INSURANCE COMPANY

By Its Agent: American United Life Insurance Company

By: /s/ Christopher D. Pahlke

Name: Christopher D. Pahlke
Title: Vice President Private Placements

THE STATE LIFE INSURANCE COMPANY

By Its Agent: American United Life Insurance Company

By: /s/ Christopher D. Pahlke

Name: Christopher D. Pahlke
Title: Vice President Private Placements

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Ellen L. Whittaker

Name: Ellen L. Whittaker
Title: Director

SECURITY FINANCIAL LIFE INSURANCE CO.

By: /s/ Kevin W. Hammond

Name: Kevin W. Hammond
Title: Vice President Chief
Investment Officer

ANNEX 1

Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

C.M. Life Insurance Company
1295 State Street
Springfield, MA 01111

United of Omaha Life Insurance Company
Mutual of Omaha Plaza
Omaha, NE 68175

Companion Life Insurance Company
Mutual of Omaha Plaza
Omaha, NE 68175

Minnesota Life Insurance Company
400 Robert Street North
St. Paul, MN 55101

American Fidelity Assurance Company
400 Robert Street North
St. Paul, MN 55101

MTL Insurance Company
400 Robert Street North
St. Paul, MN 55101

Unity Mutual Life Insurance Company - Annuity Portfolio
400 Robert Street North
St. Paul, MN 55101

Protective Life Insurance Company
P.O. Box 2606
Birmingham, AL 35202

Allstate Life Insurance Company
3075 Sanders Road, STE G3A
Northbrook, IL 60062-7127

American Heritage Life Insurance Company
3075 Sanders Road, STE G3A
Northbrook, IL 60062-7127

Southern Farm Bureau Life Insurance Company
1401 Livingston Lane
Jackson, MS 39213

The Travelers Insurance Company
242 Trumbull Street
P.O. Box 150449
Hartford, CT 06115-0419

The Travelers Insurance Company, for two of it's Separate Accounts
242 Trumbull Street

P.O. Box 150449
Hartford, CT 06115-0419

New York Life Insurance and Annuity Corporation
51 Madison Avenue
New York, NY 10010-1603

Thrivent Financial for Lutherans
625 Fourth Avenue South
Minneapolis, MN 55415-1624

Great-West Life & Annuity Insurance Company
8515 East Orchard Road, 3rd Floor, Tower 2
Englewood, CO 80111

Modern Woodmen of America
1701 First Avenue
Rock Island, IL 61201

The Guardian Life Insurance Company of America
700 South Street
Pittsfield, MA 01201

Colonial Life & Accident Insurance Company
One Fountain Square
Chattanooga, TN 37402

Unum Life Insurance Company of America
One Fountain Square
Chattanooga, TN 37402

Phoenix Life Insurance Company
56 Prospect Street
Hartford, CT 06115-0480

American United Life Insurance Company
One American Square
Indianapolis, IN 46206

Pioneer Mutual Life Insurance Company
One American Square
Indianapolis, IN 46206

The State Life Insurance Company
One American Square
Indianapolis, IN 46206

Security Financial Life Insurance Co.
200 Centennial Mall North
Lincoln, NE 68508

EXHIBIT A-1

[FORM OF TRANCHE 1 NOTE]

QUANTA SERVICES, INC.

SERIES 2000-A SENIOR SECURED NOTE, TRANCHE 1, DUE MARCH 1, 2005

No. [_____] [Date]
$[_____] PPN [_____]

FOR VALUE RECEIVED, the undersigned, QUANTA SERVICES, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS on March 1, 2005 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at (i) the Series A-1 Base Rate for the period beginning on the date from which interest has most recently paid prior to [August 12, 2002] and ending on (but not including) August 12, 2002 and (ii) the Series A-1 Interest Rate from [August 12, 2002], in each case, payable quarterly in arrears, on the first day of each January, April, July and October, and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) the Series A-1 Interest Rate plus 2% or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A.

from time to time in New York, New York as its "base" or "prime" rate, but in any event not in excess of the highest rate allowed by applicable law. If at June 30, 2004 or any time thereafter the consolidated debt ratio measured by Section 10.2 of the Note Purchase Agreement referred to below has been 2.5 to 1.0 or less for four consecutive fiscal quarters, interest on this Note shall become payable semiannually on the first (1st) day of January and July of each year.

Payments of principal of interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of March 1, 2000 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Terms used herein and not defined shall have the meanings ascribed to them in the Note Purchase Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional and mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Pursuant to the Guaranty Agreement dated as of March 1, 2000, certain subsidiaries of the Company have absolutely and unconditionally guaranteed payment in full of the principal of, Make-Whole Amount if any, and interest on this Note and the performance by the Company of all of its obligations contained in the Note Purchase Agreement all as more fully set forth in said Guaranty Agreement.

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE ISSUER AND HOLDER HEREOF SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

QUANTA SERVICES, INC.

By

Name:

Title:

EXHIBIT A-2

[FORM OF TRANCHE 2 NOTE]

QUANTA SERVICES, INC.

SERIES 2000-A SENIOR SECURED NOTE, TRANCHE 2, DUE MARCH 1, 2007

No. [_____] [Date]
$[_____] PPN [_____]

FOR VALUE RECEIVED, the undersigned, QUANTA SERVICES, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS on March 1, 2007 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at (i) the Series A-2 Base Rate for the period beginning on the date from which interest has most recently paid prior to [August 12, 2002] and ending on (but not including) August 12, 2002 and (ii) the Series A-2 Interest Rate from [August 12, 2002], in each case, payable quarterly, in arrears, on the first day of each January, April, July and October, and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) the Series A-2 Interest Rate plus 2% or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, but in any event not in excess of the highest allowed by applicable law. If at June 30, 2004 or any time thereafter the consolidated debt ratio measured by Section 10.2 of the Note Purchase Agreement referred to below has been 2.5 to 1.0 or less for four consecutive fiscal quarters, interest on this Note shall become payable semiannually on the first (1st) day of January and July of each year.

Payments of principal of interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of March 1, 2000 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Terms used herein and not defined shall have the meanings ascribed to them in the Note Purchase Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional and mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Pursuant to the Guaranty Agreement dated as of March 1, 2000, certain subsidiaries of the Company have absolutely and unconditionally guaranteed payment in full of the principal of, Make-Whole Amount if any, and interest on this Note and the performance by the Company of all of its obligations contained in the Note Purchase Agreement all as more fully set forth in said Guaranty Agreement.

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE ISSUER AND HOLDER HEREOF SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

QUANTA SERVICES, INC.

By

Name:

Title:

EXHIBIT A-3

[FORM OF TRANCHE 3 NOTE]

QUANTA SERVICES, INC.

SERIES 2000-A SENIOR SECURED NOTE, TRANCHE 3, DUE MARCH 1, 2010

No. [_____] [Date]
$[_____] PPN [_____]

FOR VALUE RECEIVED, the undersigned, QUANTA SERVICES, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS on March 1, 2010 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at (i) the Series A-3 Base Rate for the period beginning on the date from which interest has most recently paid prior to [August 12, 2002] and ending on (but not including) August 12, 2002 and (ii) the Series A-3 Interest Rate from [August 12, 2002], in each case, payable quarterly in arrears, on the first day of each January, April, July and October, and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) the Series A-3 Interest Rate plus 2% or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, but in any event not in excess of the highest rate allowed by applicable law. If at June 30, 2004 or any time thereafter the consolidated debt ratio measured by Section 10.2 of the Note Purchase Agreement referred to below has been 2.5 to 1.0 or less for four consecutive fiscal quarters, interest on this Note shall become payable semiannually on the first (1st) day of January and July of each year.

Payments of principal of interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of March 1, 2000 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Terms used herein and not defined shall have the meanings ascribed to them in the Note Purchase Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional and mandatory prepayment, in whole or from time to time in

part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

Pursuant to the Guaranty Agreement dated as of March 1, 2000, certain subsidiaries of the Company have absolutely and unconditionally guaranteed payment in full of the principal of, Make-Whole Amount if any, and interest on this Note and the performance by the Company of all of its obligations contained in the Note Purchase Agreement all as more fully set forth in said Guaranty Agreement.

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE ISSUER AND HOLDER HEREOF SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

QUANTA SERVICES, INC.

By

Name:

Title:

EXHIBIT B-1

[FORM OF SERIES 2000-B, TRANCHE 1 NOTES]

QUANTA SERVICES, INC.

SERIES 2000-B SENIOR SECURED NOTE, TRANCHE 1, DUE SEPTEMBER 1, 2005

No. [_____] [Date]
$[_____] PPN [_____]

FOR VALUE RECEIVED, the undersigned, QUANTA SERVICES, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS on September 1, 2005 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at (i) the Series B-1 Base Rate for the period beginning on the date from which interest has most recently paid prior to [August 12, 2002] and ending on (but not including) August 12, 2002 and (ii) the Series B-1 Interest Rate from [August 12, 2002], in each case, payable quarterly in arrears, on the first day of each January, April, July and October, and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) the Series B-1 Interest Rate plus 2% or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, but in any event not in excess of the highest rate allowed by applicable law. If at June 30, 2004 or any time thereafter the consolidated debt ratio measured by Section 10.2 of the Note Purchase Agreement referred to below has been 2.5 to 1.0 or less for four consecutive fiscal quarters, interest on this Note shall become payable semiannually on the first (1st) day of January and July of each year.

Payments of principal of interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of March 1, 2000 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company, the Purchasers named therein and Additional

Purchases of Notes from time to time issued pursuant to any Supplement to the Note Purchase Agreement. This Note and the holder hereof are entitled equally and ratably with the holders of all other Notes of all series from time to time outstanding under the Note Purchase Agreement to all the benefits provided for thereby or referred to therein. Terms used herein and not defined shall have the meanings ascribed to them in the Note Purchase Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note

Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement, provided that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such holder of any Note will not constitute a non-exempt prohibited transaction under Section 406(a) of ERISA.

This Note is registered with the Company and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note of the same series for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice tot he contrary.

This Note is not subject to regularly scheduled prepayments of principal. This Note is subject to optional and mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE ISSUER AND HOLDER HEREOF SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

QUANTA SERVICES, INC.

By

Name:

Title:

EXHIBIT B-2

[FORM OF SERIES 2000-B, TRANCHE 2 NOTES]

QUANTA SERVICES, INC.

SERIES 2000-B SENIOR SECURED NOTE, TRANCHE 2, DUE SEPTEMBER 1, 2006

No. [_____] [Date]
$[_____] PPN [_____]

FOR VALUE RECEIVED, the undersigned, QUANTA SERVICES, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS on September 1, 2006 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at (i) the Series B-2 Base Rate for the period beginning on the date from which interest has most recently paid prior to [August 12, 2002] and ending on (but not including) August 12, 2002 and (ii) the Series B-2 Interest Rate from [August 12, 2002], in each case, payable quarterly in arrears, on the first day of each January, April, July and October, and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable quarterly as

aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) the Series B-2 Interest Rate plus 2% or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, but in any event not in excess of the highest rate allowed by applicable law. If at June 30, 2004 or any time thereafter the consolidated debt ratio measured by Section 10.2 of the Note Purchase Agreement referred to below has been 2.5 to 1.0 or less for four consecutive fiscal quarters, interest on this Note shall become payable semiannually on the first (1st) day of January and July of each year.

Payments of principal of interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of March 1, 2000 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company, the Purchasers named therein and Additional Purchases of Notes from time to time issued pursuant to any Supplement to the Note Purchase Agreement. This Note and the holder hereof are entitled equally and ratably with the holders of all other Notes of all series from time to time outstanding under the Note Purchase Agreement to all the benefits provided for thereby or referred to therein. Terms used herein and not defined shall have the meanings ascribed to them in the Note Purchase Agreement. Each holder of this Note will be deemed, by its acceptance

hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement, provided that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such holder of any Note will not constitute a non-exempt prohibited transaction under Section 406(a) of ERISA.

This Note is registered with the Company and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note of the same series for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is not subject to regularly scheduled prepayments of principal. This Note is subject to optional and mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE ISSUER AND HOLDER HEREOF SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

QUANTA SERVICES, INC.

By _____
Name: _____
Title: _____

EXHIBIT B-3

[FORM OF SERIES 2000-B, TRANCHE 3 NOTES]

QUANTA SERVICES, INC.

SERIES 2000-B SENIOR SECURED NOTE, TRANCHE 3, DUE SEPTEMBER 1, 2010

No. [_____] [Date]
$[_____] PPN [_____]

FOR VALUE RECEIVED, the undersigned, QUANTA SERVICES, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] DOLLARS on September 1, 2010 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at (i) the Series B-3 Base Rate for the period beginning on the date from which interest has most recently paid prior to [August 12, 2002] and ending on (but not including) August 12, 2002 and (ii) the Series B-3 Interest Rate from [August 12, 2002], in each case, payable quarterly in arrears, on the first day of each January, April, July and October, and at maturity, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) the Series B-3 Interest Rate plus 2% or (ii) 2% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, but in any event not in excess of the highest rate allowed by applicable law. If at June 30, 2004 or any time thereafter the consolidated debt ratio measured by Section 10.2 of the Note Purchase Agreement referred to below has been 2.5 to 1.0 or less for four consecutive fiscal quarters, interest on this Note shall become payable semiannually on the first (1st) day of January and July of each year.

Payments of principal of interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "Notes") issued pursuant to the Note Purchase Agreement, dated as of March 1, 2000 (as from time to time amended, supplemented or modified, the "Note Purchase Agreement"), between the Company, the Purchasers named therein and Additional Purchases of Notes from time to time issued pursuant to any Supplement to the Note Purchase Agreement. This Note and the holder hereof are entitled equally and ratably with the holders of all other Notes of all series from time to time outstanding under the Note Purchase Agreement to all the benefits provided for thereby or referred to therein. Terms used herein and not defined shall have the meanings ascribed to them in the Note Purchase Agreement. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement

and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement, provided that such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by such holder of any Note will not constitute a non-exempt prohibited transaction under Section 406(a) of ERISA.

This Note is registered with the Company and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note of the same series for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is not subject to regularly scheduled prepayments of principal. This Note is subject to optional and mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE

RIGHTS OF THE ISSUER AND HOLDER HEREOF SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

QUANTA SERVICES, INC.

By

Name:

Title:

SCHEDULE 5.4

<Table>
<Caption>

SUBSIDIARY	STATE OF INCORPORATION	STOCKHOLDER
<S>	<C>	<C>
Advanced Technologies and Installation Corporation	Washington	Quanta Services, Inc.
Airlan Telecom Services, L.P.	Texas	
Allteck Line Contractors (USA), Inc.	Washington	Quanta Services, Inc.
Allteck Line Contractors, Inc.	British Columbia	
Arby Construction, Inc.	Delaware	Quanta Services, Inc.
Austin Trencher, Inc.	Delaware	Quanta Services, Inc.
Bradford Brothers, Inc.	North Carolina	Quanta Services, Inc.
Brown Engineering, LLC	Delaware	Spalj Construction Company
CCLC, Inc.	Delaware	Conti Communications, Inc.
Coast to Coast, LLC	California	Environmental Professional Associates, Limited
Communication Manpower, Inc.	Florida	Trawick Construction Company, Inc.
Computapole, Inc.	Delaware	Quanta Services, Inc.
Conti Communications, Inc.	Delaware	Quanta Services, Inc.
Croce Electric Company, Inc.	Delaware	Quanta Services, Inc.
Crown Fiber Communications, Inc.	Virginia	Quanta Services, Inc.
Digco Utility Construction, L.P.	Delaware	Mejia Personnel Services, Inc. QDE LLC
Dillard Smith Construction Company	Delaware	Quanta Services, Inc.
Dot 05, LLC	Delaware	Spalj Construction Company
Driftwood Electrical Contractors, Inc.	Delaware	Quanta Services, Inc.
Environmental Professional Associates, Limited	California	Quanta Services, Inc.
Five Points Construction Co.	Texas	Underground Construction Co., Inc.
GEM Engineering Co., Inc.	Delaware	Quanta Services, Inc.
Golden State Utility Co.	Delaware	Quanta Services, Inc.
H.L. Chapman Pipeline Construction, Inc.	Delaware	Quanta Services, Inc.
Haines Construction Company	Delaware	Quanta Services, Inc.
Intermountain Electric, Inc.	Colorado	Quanta Services, Inc.
Irby Construction Company	Mississippi	Quanta Services, Inc.
Lake Norman Pipeline, LLC	North Carolina	Bradford Brother, Incorporated
Lindsey Electric, L.P.	Delaware	Mejia Personnel Services, Inc. North Houston Pole Line, L.P.
Lineco Leasing, LLC	Washington	Mustang Line Contractors, Inc.
Line Equipment Sales Co., Inc.	South Carolina	Sumter Utilities, Inc.
Logical Link, Inc.	Delaware	Quanta Services, Inc.
Manuel Bros., Inc.	Delaware	Quanta Services, Inc.
Mears Engineering, LLC	Michigan	Mears Group, Inc.
Mears Group, Inc.	Delaware	Quanta Services, Inc.
Mears Services, LLC	Michigan	Mears Group, Inc.
Mears/CPG, LLC	Michigan	Mears Group, Inc.
Mears/HDD, LLC	Michigan	Mears Group, Inc.
Mearsmex S. de R.L. de C.V.	Mexico	Mears Group, Inc. Mears/HDD, LLC
Mejia Personnel Services, Inc.	Texas	Quanta Services, Inc.
Metro Underground Services, Inc.	Illinois	Quanta Services, Inc.
Mustang Line Contractors, Inc.	Washington	Quanta Services, Inc.
Network Communication Services, Inc.	Delaware	Quanta Services, Inc.

</Table>

<Table>
<Caption>

SUBSIDIARY	STATE OF INCORPORATION	STOCKHOLDER

Network Electric Company	Delaware	Quanta Services, Inc.
North Houston Pole Line, L.P.	Texas	Mejia Personnel Services, Inc.
		QDE LLC
North Pacific Construction Co., Inc.	Delaware	Quanta Services, Inc.
North Sky Communications, Inc.	Delaware	Quanta Services, Inc.
Northern Line Layers, Inc.	Delaware	Quanta Services, Inc.
Okay Construction Company, LLC	Delaware	Spalj Construction Company
P.D.G. Electric Company	Florida	Quanta Services, Inc.
Pac West Construction, Inc.	Delaware	Quanta Services, Inc.
PAR Electrical Contractors, Inc.	Missouri	Quanta Services, Inc.
Parkside Site & Utility Company Corporation	Delaware	Quanta Services, Inc.
Parkside Utility Construction Corp.	Delaware	Quanta Services, Inc.
Potelco, Inc.	Washington	Quanta Services, Inc.
Professional Teleconcepts, Inc.	Illinois	Quanta Services, Inc.
Professional Teleconcepts, Inc.	New York	Quanta Services, Inc.
PWR Financial Company	Delaware	Quanta Services, Inc.
PWR Network, LLC	Delaware	PWR Financial Company
Q Resources, LLC	Delaware	Quanta Holdings, Inc.
QDE LLC	Delaware	PWR Financial Company
QPC, Inc.	Delaware	Quanta Services, Inc.
QSI, Inc.	Delaware	Quanta Holdings, Inc.
Quanta Asset Management LLC	Delaware	QSI, Inc.
Quanta Associates, L.P.	Delaware	Quanta Asset Management LLC QSI, Inc.
Quanta Delaware, Inc.	Delaware	Quanta Holdings, Inc.
Quanta Holdings, Inc.	Delaware	Quanta Services, Inc.
Quanta LI Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LIV Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LIX Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LVII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LVIII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LX Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXI Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXIII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXIV Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXIX Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXV Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXVI Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXVII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXVIII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXX Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXXI Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXXII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta LXXIII Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta XXXI Acquisition, Inc.	Delaware	Quanta Services, Inc.
Quanta Receivables, L.P.	Delaware	QDE LLC PWR Network, LLC
Quanta Services of Canada Ltd.	British Columbia	Quanta Services, Inc.
Quanta Services Management Partnership, L.P.	Texas	Quanta Delaware, Inc. QSI, Inc.
Quanta Utility Installation Company, Inc.	Delaware	Quanta Services, Inc.

SUBSIDIARY	STATE OF INCORPORATION	STOCKHOLDER
R.A. Waffensmith & Co., Inc.	Delaware	Quanta Services, Inc.
Ranger Field Services, Inc.	Delaware	Quanta Services, Inc.
S.K.S. Pipeliners, LLC	Delaware	Arby Construction, Inc.
Southeast Pipeline Construction, Inc.	Delaware	Quanta Services, Inc.
Southwestern Communications, Inc.	Delaware	Quanta Services, Inc.
Southwest Trenching Company, Inc.	Texas	Quanta Services, Inc.
Spalj Construction Company	Delaware	Quanta Services, Inc.
Specialty Drilling Technology, Inc.	Delaware	Quanta Services, Inc.
Sumter Utilities, Inc.	Delaware	Quanta Services, Inc.
The Ryan Company, Inc.	Massachusetts	Quanta Services, Inc.
Tjader, L.L.C.	Delaware	Spalj Construction Company
TNS-VA, LLC	Delaware	Professional Teleconcepts, Inc.
Tom Allen Construction Company	Delaware	Quanta Services, Inc.
Trans Tech Acquisition, Inc.	Texas	Quanta Services, Inc.
Trans Tech Electric, L.P.	Texas	TTLP, Inc. TTGP, Inc.
Trawick Construction Company, Inc.	Florida	Quanta Services, Inc.
TTGP, Inc.	Delaware	Quanta Services, Inc.
TTLP, Inc.	Delaware	Quanta Services, Inc.
TTM, Inc.	North Carolina	Quanta Services, Inc.
TXLP, Inc.	Delaware	Quanta Services, Inc.
Underground Construction Co., Inc.	Delaware	Quanta Services, Inc.

Utilco, Inc.	Georgia	Quanta Services, Inc.
VCI Telcom, Inc.	Delaware	Quanta Services, Inc.
W. C. Communications, Inc.	Delaware	Quanta Services, Inc.
W.H.O.M. Corporation	California	Quanta Services, Inc.

</Table>

The Company's directors are James R. Ball, John R. Colson, Terrence P. Dunn, Vincent D. Foster, Louis C. Golm, Robert K. Green, Keith G. Stamm, Gary A. Tucci, and John R. Wilson.

The Company's executive officers are John R. Colson, Peter Dameris, Dana A. Gordon, Nick Grindstaff, Frederick M. Haag, James H. Haddox, Derrick A. Jensen, James F. O'Neil, III, Elliott C. Robbins, Gary W. Smith, Luke T. Spalj and John R. Wilson.

ATTACHMENT A

QUANTA SERVICES, INC.

OFFICERS' CERTIFICATE

We, [_____] and [_____], hereby certify that we are the duly elected, qualified and acting [President/Vice President] and [Secretary/Assistant Secretary] of QUANTA SERVICES, INC., a Delaware corporation (the "COMPANY"), and that, as such, we have access to its records and are familiar with the matters herein certified, and we are authorized to execute and deliver this certificate in the name and on behalf of the Company, and further certify as follows.

1. This certificate is being delivered pursuant to Section 3(g) of Amendment No. 1 to Note Purchase Agreement (the "AMENDMENT"), dated as of August 12, 2002, entered into by the Company and each of the purchasers listed on the signature pages thereto (together with any affiliates thereof, the "NOTEHOLDERS"). The terms used in this certificate and not defined herein have the respective meanings specified in the Amendment.

2. Attached hereto as Attachment A is a true and correct copy of resolutions adopted by the Board of Directors of the Company, and such resolutions set forth in Attachment A hereto were duly adopted by said Board of Directors and are in full force and effect on and as of the date hereof, not having been amended, altered or repealed, and such resolutions are filed with the records of the Board of Directors.

3. The documents listed below were executed and delivered by the Company pursuant to and in accordance with the resolutions set forth in Attachment A hereto:

(i) Amendment No. 1 to Note Purchase Agreement.

4. Attached hereto as Attachment B is a true, correct and complete copy of the Articles of Incorporation and By-laws of the Company as in full force and effect on and as of the date hereof without modification or amendment in any respect.

5. Each of the officers of the Company listed on Attachment C has been a duly elected, qualified and acting officer of the Company holding the office or offices set forth below opposite his or her name and the signature appearing opposite the name of each such person on Attachment C is his or her genuine signature.

6. Attached hereto as Attachment D is a good standing certificate in respect of the Company from the State of Delaware.

IN WITNESS THEREOF, We have hereunto set our hands on August 12 2002.

QUANTA SERVICES, INC.

By:

Name:
Title:

By:

Name:
Title:

ATTACHMENT A

BOARD OF DIRECTORS
QUANTA SERVICES, INC.
RESOLUTIONS ADOPTED

ATTACHMENT B

ARTICLES OF INCORPORATION AND BYLAWS OF THE COMPANY

ATTACHMENT C

SPECIMEN SIGNATURES OF OFFICERS EXECUTING DOCUMENTS

<Table>
<Caption>

NAME	TITLE(s)	SIGNATURE
<S>	<C>	<C>
----------	----------	----------
----------	----------	----------
----------	----------	----------

</Table>

ATTACHMENT D

GOOD STANDING CERTIFICATE OF THE COMPANY

ATTACHMENT B

CONSENT OF GUARANTORS

The undersigned Guarantors, as party to the Guaranty Agreement dated as of March 1, 2000, hereby consent to the foregoing Amendment dated as of even date herewith, to which this consent is attached, and confirm that the Guaranty Agreement remains in full force and effect after giving effect thereto and represent and warrant that there is no defense, counterclaim or offset of any type or nature under the Guaranty Agreement.

Dated as of August 12, 2002

GUARANTORS:

ADVANCED TECHNOLOGIES AND INSTALLATION
CORPORATION
ALLTECK LINE CONTRACTORS (USA), INC.
ARBY CONSTRUCTION, INC.
AUSTIN TRENCHER, INC.
BRADFORD BROTHERS, INC.

CCLC, INC.
COMMUNICATION MANPOWER, INC.
COMPUTAPOLE, INC.
CONTI COMMUNICATIONS, INC.
CROCE ELECTRIC COMPANY, INC.
CROWN FIBER COMMUNICATIONS, INC.
DILLARD SMITH CONSTRUCTION COMPANY
DRIFTWOOD ELECTRICAL CONTRACTORS, INC.
ENVIRONMENTAL PROFESSIONAL ASSOCIATES, LIMITED
FIVE POINTS CONSTRUCTION CO.
GEM ENGINEERING CO., INC.
GOLDEN STATE UTILITY CO.
H.L. CHAPMAN PIPELINE CONSTRUCTION, INC.
HAINES CONSTRUCTION COMPANY
INTERMOUNTAIN ELECTRIC, INC.
IRBY CONSTRUCTION COMPANY
LINE EQUIPMENT SALES CO., INC.
LOGICAL LINK, INC.
MANUEL BROS., INC.
MEARS GROUP, INC.
MEJIA PERSONNEL SERVICES, INC.
METRO UNDERGROUND SERVICES, INC.
MUSTANG LINE CONTRACTORS, INC.
NETWORK COMMUNICATION SERVICES, INC.
NETWORK ELECTRIC COMPANY
NORTH PACIFIC CONSTRUCTION CO., INC.
NORTH SKY COMMUNICATIONS, INC.
NORTHERN LINE LAYERS, INC.

PAC WEST CONSTRUCTION, INC.
PAR ELECTRICAL CONTRACTORS, INC.
PARKSIDE SITE & UTILITY COMPANY CORPORATION
PARKSIDE UTILITY CONSTRUCTION CORP.
P.D.G. ELECTRIC COMPANY
POTELCO, INC.
PROFESSIONAL TELECONCEPTS, INC. (IL)
PROFESSIONAL TELECONCEPTS, INC. (NY)
PWR FINANCIAL COMPANY
QPC, INC.
QSI, INC.
QUANTA HOLDINGS, INC.
QUANTA XXXI ACQUISITION, INC.
QUANTA LI ACQUISITION, INC.
QUANTA LIV ACQUISITION, INC.
QUANTA LVII ACQUISITION, INC.
QUANTA LVIII ACQUISITION, INC.
QUANTA LIX ACQUISITION, INC.
QUANTA LX ACQUISITION, INC.
QUANTA LXI ACQUISITION, INC.
QUANTA LXII ACQUISITION, INC.
QUANTA LXIII ACQUISITION, INC.
QUANTA LXIV ACQUISITION, INC.
QUANTA LXV ACQUISITION, INC.
QUANTA LXVI ACQUISITION, INC.
QUANTA LXVII ACQUISITION, INC.
QUANTA LXVIII ACQUISITION, INC.
QUANTA LXIX ACQUISITION, INC.
QUANTA LXX ACQUISITION, INC.
QUANTA LXXI ACQUISITION, INC.
QUANTA LXXII ACQUISITION, INC.
QUANTA LXXIII ACQUISITION, INC.
QUANTA UTILITY INSTALLATION CO., INC.
R.A. WAFFENSMITH & CO., INC.
RANGER FIELD SERVICES, INC.
SOUTHEAST PIPELINE CONSTRUCTION, INC.
SOUTHWEST TRENCHING COMPANY, INC.
SOUTHWESTERN COMMUNICATIONS, INC.
SPALJ CONSTRUCTION COMPANY
SPECIALTY DRILLING TECHNOLOGY, INC.
SUMTER UTILITIES, INC.
THE RYAN COMPANY, INC.
TOM ALLEN CONSTRUCTION COMPANY
TRANS TECH ACQUISITION, INC.
TRAWICK CONSTRUCTION COMPANY, INC.
TTGP, INC.
TTLP. INC.
TTM, INC.
TXLP, INC.
UNDERGROUND CONSTRUCTION CO., INC.

UTILCO, INC.
VCI TELECOM, INC.
W.C. COMMUNICATIONS, INC.

W.H.O.M. CORPORATION

By:

Name: Dana Gordon
Title: President or Vice-President of each Guarantor

QDE LLC
QUANTA DELAWARE, INC.
QUANTA ASSET MANAGEMENT LLC

By:

Name: Linda Bubacz
Title: President

BROWN ENGINEERING, LLC

By: Ranger Field Services, Inc., Its Member

By:

Name: Dana Gordon
Title: Vice President

COAST TO COAST, LLC

By: Environmental Professional Associates, Limited, Its Member

By:

Name: Dana Gordon
Title: Vice President

DOT 05, LLC
TJADER, L.L.C.
OKAY CONSTRUCTION COMPANY, LLC

By: Spalj Construction Company, Its Member

By:

Name: Dana Gordon
Title: Vice President

LAKE NORMAN PIPELINE, LLC

By: Bradford Brothers, Inc., Its Member

By:

Name: Dana Gordon
Title: Vice President

MEARS/CPG, LLC
MEARS ENGINEERING, LLC
MEARS/HDD, LLC
MEARS SERVICES, LLC

By: Mears Group, Inc., The Sole Member of each of the foregoing limited liability companies

By:

Name: Dana Gordon
Title: Vice President

S.K.S. PIPELINERS, LLC

By: Arby Construction, Inc., Its Member

By:

Name: Dana Gordon
Title: Vice President

TNS-VA, LLC

By: Professional Teleconcepts, Inc. (NY), Its Member

By:

Name: Dana Gordon
Title: Vice President

LINECO LEASING, LLC

By: Mustang Line Contractors, Inc., Its Sole Member

By:

Name: Dana Gordon
Title: Vice President

AIRLAN TELECOM SERVICES, L.P.
NORTH HOUSTON POLE LINE, L.P.
LINDSEY ELECTRIC, L.P.
DIGCO UTILITY CONSTRUCTION, L.P.

By: Mejia Personnel Services, Inc., Its General Partner

By:

Name: Dana Gordon
Title: Vice President

QUANTA SERVICES MANAGEMENT PARTNERSHIP, L.P. QUANTA ASSOCIATES, L.P.

By: QSI, Inc., Its General Partner

By:

Name: Dana Gordon
Title: Vice President

TRANS TECH ELECTRIC, L.P.

By: TTGP, Inc., Its General Partner

By:

Name: Dana Gordon
Title: Vice President

PWR NETWORK, LLC

By: PWR Financial Company, Its Sole Member

By:

Name: Dana Gordon
Title: Vice President

Q RESOURCES, LLC

By: Quanta Holdings, Inc., Its Member

By:

Name: Dana Gordon
Title: Vice President

QUANTA RECEIVABLES, L.P.

By: PWR Network, LLC, Its General Partner

By: PWR Financial Company, Its Sole Member

By:

Name: Dana Gordon
Title: Vice President

Exhibit 99.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, John R. Colson, as Chief Executive Officer of Quanta Services, Inc. (the "Company") certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Form 10-Q report for the period ending June 30, 2002 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2002

/s/ JOHN R. COLSON

John R. Colson,
Chief Executive Officer
of the Company

Exhibit 99.2

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James H. Haddox, as Chief Financial Officer of Quanta Services, Inc. (the "Company") certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Form 10-Q report for the period ending June 30, 2002 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2002

/s/ JAMES H. HADDOX

James H. Haddox,
Chief Financial Officer
of the Company