UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2010

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 number: 1-08325

MYR GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-3158643**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Three Continental Towers	**60008-4210**
1701 Golf Road, Suite 3-1012	(Zip Code)
Rolling Meadows, IL	
(Address of principal executive offices)	

(847) 290-1891
(Registrant's telephone number, including area code)

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 (the "Exchange Act") 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 7, 2010 there were 19,886,957 outstanding shares of the registrant's $0.01 par value common stock.

WEB SITE ACCESS TO COMPANY'S REPORTS

MYR Group Inc.'s internet Web site address is *www.myrgroup.com*. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act will be available free of charge through our Web site as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC").

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Throughout this report, references to "MYR Group," the "Company," "we," "us" and "our" refer to MYR Group Inc. and its consolidated subsidiaries, except as otherwise indicated or as the context otherwise requires.

MYR GROUP INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	December 31, 2009	March 31, 2010 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 37,576	$ 37,120
Accounts receivable, net of allowances of $1,114 and $1,046, respectively	100,652	86,351
Costs and estimated earnings in excess of billings on uncompleted contracts	30,740	31,893
Deferred income tax assets	10,186	10,186
Receivable for insurance claims in excess of deductibles	8,082	8,452
Refundable income taxes	3,036	2,650
Other current assets	3,308	3,155
Total current assets	193,580	179,807
Property and equipment, net of accumulated depreciation of $33,566 and $37,313, respectively	88,032	85,483
Goodwill	46,599	46,599
Intangible assets, net of accumulated amortization of $1,553 and $1,637, respectively	11,539	11,455
Other assets	1,899	1,892
Total assets	$ 341,649	$ 325,236
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 39,880	$ 30,345
Billings in excess of costs and estimated earnings on uncompleted contracts	25,663	18,674
Accrued self insurance	33,100	33,395
Other current liabilities	22,122	18,666
Total current liabilities	120,765	101,080
Long-term debt, net of current maturities	30,000	30,000
Deferred income tax liabilities	15,870	15,870
Other liabilities	899	848
Total liabilities	167,534	147,798
Commitments and contingencies		
Stockholders' equity:		
Preferred stock—$0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at December 31, 2009 and March 31, 2010	—	—
Common stock—$0.01 par value per share; 100,000,000 authorized shares; 19,807,421 and 19,881,882 shares issued and outstanding at December 31, 2009 and March 31, 2010, respectively	198	198
Additional paid-in capital	142,679	143,222
Retained earnings	31,238	34,018
Total stockholders' equity	174,115	177,438
Total liabilities and stockholders' equity	$ 341,649	$ 325,236

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

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Three months ended March 31, 2009	Three months ended March 31, 2010
Contract revenues	$ 132,935	$ 148,889
Contract costs	115,902	133,720
Gross profit	17,033	15,169
Selling, general and administrative expenses	11,974	10,564
Amortization of intangible assets	84	84
Gain on sale of property and equipment	(57)	(190)
Income from operations	5,032	4,711
Other income (expense)		
Interest income	122	11
Interest expense	(222)	(203)
Other, net	(60)	(30)
Income before provision for income taxes	4,872	4,489
Income tax expense	1,989	1,709
Net income	$ 2,883	$ 2,780
Income per common share:		
—Basic	$ 0.15	$ 0.14
—Diluted	$ 0.14	$ 0.13
Weighted average number of common shares and potential common shares outstanding:		
—Basic	19,712,811	19,821,127
—Diluted	20,716,255	20,733,287

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

MYR GROUP INC.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Three months ended March 31, 2009	Three months ended March 31, 2010
Cash flows from operating activities:		
Net income	$ 2,883	$ 2,780
Adjustments to reconcile net income to net cash flows provided by (used in) operating activities—		
Depreciation and amortization of property and equipment	3,165	3,940
Amortization of intangible assets	84	84
Stock-based compensation expense	231	424
Excess tax benefit from stock-based awards	—	(16)
Gain on sale of property and equipment	(57)	(190)
Other non-cash items	21	21
Changes in operating assets and liabilities		
Accounts receivable, net	8,216	14,301
Costs and estimated earnings in excess of billings on uncompleted contracts	2,061	(1,153)
Receivable for insurance claims in excess of deductibles	42	(370)
Other assets	51	541
Accounts payable	(5,393)	(9,544)
Billings in excess of costs and estimated earnings on uncompleted contracts	(7,370)	(6,989)
Accrued self insurance	(475)	295
Other liabilities	(4,047)	(3,491)
Net cash flows provided by (used in) operating activities	(588)	633
Cash flows from investing activities:		
Proceeds from sale of property and equipment	125	190
Purchases of property and equipment	(7,521)	(1,382)
Net cash flows used in investing activities	(7,396)	(1,192)
Cash flows from financing activities:		
Payments of capital lease obligations	(8)	(16)
Employee stock option transactions	—	103
Excess tax benefit from stock-based awards	—	16
Equity financing costs	(10)	—
Net cash flows provided by (used in) financing activities	(18)	103
Net decrease in cash and cash equivalents	(8,002)	(456)
Cash and cash equivalents:		
Beginning of period	42,076	37,576
End of period	$ 34,074	$ 37,120

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

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands, except share and per share data)

1. Organization and Business

MYR Group Inc. (the "Company") consists of the following wholly-owned subsidiaries: The L. E. Myers Co., a Delaware corporation; Hawkeye Construction, Inc., an Oregon corporation; Harlan Electric Company, a Michigan corporation; Sturgeon Electric Company, Inc., a Michigan corporation; MYR Transmission Services, Inc., a Delaware corporation; ComTel Technology Inc., a Colorado corporation; MYRpower, Inc., a Delaware corporation and Great Southwestern Construction, Inc., a Colorado corporation.

The Company performs construction services in two business segments: Transmission and Distribution ("T&D"), and Commercial and Industrial ("C&I"). T&D customers include electric utilities, cooperatives and municipalities nationwide. The Company's broad range of services includes design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair throughout the continental United States. The Company also provides C&I electrical contracting services to facility owners and general contractors in the western United States.

2. Basis of Presentation

Interim Consolidated Financial Information

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the financial statements do not include all the disclosures required by U.S. GAAP for complete financial statements. In the opinion of management, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to state fairly the financial condition of the Company as of March 31, 2010, and the results of operations, and cash flows for the three months ended March 31, 2009 and 2010. The results of operations for the three months ended March 31, 2010 are not necessarily indicative of the results for the full year or the results for any future periods. The consolidated balance sheet as of December 31, 2009 has been derived from the audited financial statements as of that date. These financial statements should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2009, included in the Company's annual report on Form 10-K.

Use of Estimates

The preparation of financial statements in conformity with accounting U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. The most significant estimates are related to the accounts receivable reserve, estimates to complete on contracts, insurance reserves, tax reserves, recoverability of goodwill and intangibles, and estimates surrounding stock-based compensation. Actual results could differ from these estimates.

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share data)

2. Basis of Presentation (Continued)

Recently Issued Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued an accounting standard update to ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which required new disclosures and clarified existing disclosures about fair value measurement. Specifically, this update amends ASC 820 to now require: (a) a reporting entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and to describe the reasons for the transfers; and (b) in the reconciliation for fair value measurements using significant unobservable inputs, a reporting entity should present separately information about purchases, sales, issuances, and settlements. In addition, this update clarifies the requirements of the following existing disclosures: (a) for purposes of reporting fair value measurement for each class of assets and liabilities, a reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities; and (b) a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. This update became effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements, which will become effective for interim and reporting periods beginning after December 15, 2010. Although the adoption of this standard modification did not have an impact on the Company's consolidated financial condition, results of operations or cash flows, there may be impacts to the Company's financial statement disclosures in the future.

In February 2010, the FASB issued an accounting standard update to ASC Topic 855, *Subsequent Events*, which eliminated the requirement for an SEC filer to disclose the date through which subsequent events have been evaluated in both issued and revised financial statements. This standard became effective upon issuance, with limited exceptions. Although, the adoption of this standard update did not have an impact on the Company's consolidated financial condition, results of operations or cash flows, there were impacts to the Company's financial statement disclosures.

3. Fair Value Measurements

The accounting guidance provided by ASC 820 defines fair value, establishes methods used to measure fair value, and expands disclosure requirements about fair value measurements. The fair value accounting guidance establishes a three-tier hierarchy of fair value measurement, which prioritizes the inputs used in measuring fair value based upon their degree of availability in external active markets. These tiers include: Level 1 (the highest priority), defined as observable inputs, such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 (the lowest priority), defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of March 31, 2010, the carrying value of cash and cash equivalents, accounts receivable and payable, accrued liabilities, and certain other financial assets and liabilities approximated fair value due to the short maturities of these instruments.

As of March 31, 2010, the Company held cash equivalents that were subject to the disclosure requirements of the fair value accounting guidance. These items included money market funds held in deposit at a national bank and short-term certificates of deposit held on account under the Certificate

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share data)

3. Fair Value Measurements (Continued)

of Deposit Account Registry Services (CDARS) program. The combined net carrying value of the Company's cash and cash equivalents was $37,120, which was equal to the fair value at March 31, 2010 based upon Level 1 inputs.

The carrying amount reported in the consolidated balance sheet as of March 31, 2010 for long term debt was $30,000. Using a discounted cash flow technique that incorporates a market interest rate adjusted for risk profile based upon Level 3 inputs, the Company estimated the fair value of its debt to be $29,470 as of March 31, 2010.

4. Supplemental Cash Flows

Supplemental disclosures of cash flow information are as follows:

	Three months ended March 31, 2009	Three months ended March 31, 2010
Cash paid during the period for:		
Income taxes	$ 293	$ 1,365
Interest expense	203	183
Noncash investing activities:		
Acquisition of property and equipment for which payment was pending	314	211
Acquisition of property and equipment under capital lease obligations	45	—

As of December 31, 2009, the Company had purchased $202 of property and equipment for which payment was pending, all of which was paid during the three months ended March 31, 2010. As of March 31, 2010, the Company recorded additional property and equipment of approximately $211 for which payment was pending.

5. Contracts in Process

The net asset (liability) position for contracts in process consisted of the following:

	December 31, 2009	March 31, 2010
Costs incurred on uncompleted contracts	$ 839,315	$ 862,909
Estimated earnings	95,669	97,685
	934,984	960,594
Less: Billings to date	929,907	947,375
	$ 5,077	$ 13,219

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share data)

5. Contracts in Process (Continued)

The net asset (liability) position for contracts in process included in the accompanying consolidated balance sheets was as follows:

	December 31, 2009	March 31, 2010
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 30,740	$ 31,893
Billings in excess of costs and estimated earnings on uncompleted contracts	(25,663)	(18,674)
	$ 5,077	$ 13,219

6. Income Taxes

The difference between the U.S. federal statutory tax rate of 35% and the Company's effective tax rates for the three months ended March 31, 2009 and 2010 was principally due to state income taxes.

The Company had approximately $836 and $795 of total unrecognized tax benefits as of December 31, 2009 and March 31, 2010, respectively, which was included in other liabilities in the accompanying consolidated balance sheets. For the three months ended March 31, 2010, the Company recorded an additional $42 in unrecognized tax benefits related to the net activity of current and prior year positions, which was offset by a reduction in unrecognized tax benefits of $83 related to the closure of a federal tax audit for the 2007 tax year.

The Company's policy is to recognize interest and penalties related to income tax liabilities as a component of income tax expense in the consolidated statements of operations. The amount of interest and penalties charged to income tax expense as a result of the unrecognized tax benefits was an expense of $1 and a benefit of $2, for the three months ended March 31, 2009 and 2010, respectively.

The Company does not anticipate that there will be any material changes to the total unrecognized tax benefits within the next 12 months.

The Company is subject to taxation in various jurisdictions. The Company continues to remain subject to examination by U.S. federal authorities for certain open tax years (2006, 2008 and 2009), and by various state authorities for the years 2005 through 2009.

7. Commitments and Contingencies

Letters of Credit

At both December 31, 2009 and March 31, 2010, the Company had one outstanding irrevocable standby letter of credit totaling $15,000 related to the Company's payment obligation under its insurance programs.

Leases

The Company leases real estate and construction and certain office equipment under operating leases with terms ranging from one to five years. Future minimum lease payments for these operating

7. Commitments and Contingencies (Continued)

leases subsequent to March 31, 2010, are as follows: $6,570 for the remainder of 2010, $5,829 for 2011, $3,418 for 2012, $990 for 2013, and $29 for 2014.

The Company has guaranteed the residual value of the underlying assets under certain equipment operating leases at the date of termination of such leases. The Company has agreed to pay any differences between this residual value and the fair market value of each underlying asset as of the lease termination date. As of March 31, 2010, the maximum guaranteed residual value was approximately $1,458. The Company does not believe that significant payments will be made as a result of the difference between the fair market value of the leased equipment and the guaranteed residual value. However, there can be no assurance that future payments will not be required.

Purchase Commitments for Construction Equipment

As of March 31, 2010, the Company has approximately $2,777 in outstanding purchase obligations for certain construction equipment with cash outlay requirements scheduled to occur over the next five months.

Employment Agreements

As of December 31, 2009, the Company had recorded a contingent termination payment liability of approximately $1,628 related to the employment agreements it entered into with six executive officers in December 2007, which were amended in December 2008 (each an "Employment Agreement"). The liability recorded, which was included in other current liabilities in the accompanying consolidated balance sheet as of December 31, 2009, represented the amount the named executive officers would have been eligible to receive under the terms of the original Employment Agreements if they were to voluntarily terminate employment without "good reason" (as defined in the Employment Agreements) at any time.

In March 2010, the Company amended and restated the Employment Agreements, which, among other things, removed the provision for severance pay subject to a voluntary termination without good reason. The revised severance pay provisions in the Employment Agreements are all under the employer's control. Therefore, the Company has eliminated the $1,628 liability related to this provision during the three months ended March 31, 2010. The benefit of reversing this liability was included as a reduction to selling, general and administrative expenses in the accompanying consolidated statement of operations.

Surety Bonds

In certain circumstances, the Company is required to provide performance bonds in connection with its future performance on contractual commitments. The Company has indemnified its sureties for any expenses paid out under these performance bonds. As of March 31, 2010, the total amount of outstanding performance bonds was approximately $456,813, and the estimated cost to complete these bonded projects was approximately $97,815.

7. Commitments and Contingencies (Continued)

Litigation and Other Legal Matters

The Company is from time to time party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract and/or property damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims and proceedings, the Company records reserves when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, separately or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

The Company is routinely subject to other civil claims, litigation and arbitration, and regulatory investigations arising in the ordinary course of our present business as well as in respect of our divested businesses. Some of these include claims related to our current services and operations, and asbestos-related claims concerning historic operations of a predecessor affiliate. The Company believes that it has strong defenses to these claims as well as adequate insurance coverage in the event any asbestos-related claim is not resolved in our favor. These claims have not had a material impact on the Company to date and the Company believes that the likelihood that a future material adverse outcome will result from these claims is remote. However, if facts and circumstances change in the future, the Company cannot be certain that an adverse outcome of one or more of these claims would not have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

8. Stock-Based Compensation

In November 2007, the Board of Directors approved the Long-Term Incentive Plan (the "LTIP") for the Company. Upon the adoption of the LTIP, the Company no longer grants awards under the 2006 Stock Option Plan. The LTIP provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights, (d) restricted stock awards, (e) performance awards, (f) phantom stock, (g) stock bonuses, (h) dividend equivalents, or (i) any combination of such awards. The LTIP permits the granting of up to 2,000,000 shares of common stock to directors, officers and employees of the Company.

Stock Options

On March 24, 2010, the Company granted options to purchase 106,912 shares of the Company's common stock to various employees, including the Company's executive officers. These new stock option awards will vest ratably over a three-year period. The grant date fair value of these option awards was approximately $8.72 per share, using the Black-Scholes-Merton option-pricing model. These stock options are subject to certain claw-back provisions, as defined in the grant agreement.

Based upon a weighted-average grant date fair value of approximately $7.22 per share, the Company recognized stock compensation expense related to all stock options granted under the LTIP of approximately $231 and $416 for the three months ended March 31, 2009 and 2010, respectively, which is included in selling, general and administrative expenses in the accompanying consolidated statements of operations. The stock compensation expense for the three months ended March 31, 2010,

8. Stock-Based Compensation (Continued)

included approximately $180 related to the accelerated vesting of stock options of one of the Company's executive officers due to him reaching normal retirement age, as defined in his stock option grant agreements.

As of March 31, 2010, there was approximately $2,335 of total unrecognized compensation cost related to stock options granted under the LTIP, net of estimated forfeitures. This cost is expected to be recognized over a weighted average vesting period of approximately 2.2 years. Total unrecognized compensation cost will be adjusted for any future changes in estimated and actual forfeitures.

During the full year 2009, the Company issued 94,610 new shares to option holders upon the exercise of vested stock options. During the three months ended March 31, 2010, the Company issued 20,646 new shares to option holders upon the exercise of vested stock options. Cash received from option exercises for the three months ended March 31, 2010 was $103. The excess tax benefit realized from option exercises for the three months ended March 31, 2010 was $16. The total intrinsic value of stock options exercised during the three months ended March 31, 2010 was $241. No stock options were exercised during the three months ended March 31, 2009.

It is the Company's policy to issue new shares upon the exercise of stock options. The Company has also been given authorization from the Board of Directors to use its discretion to repurchase shares from time-to-time based upon the volume of stock options that have been exercised. To date, the Company has not made any such repurchases.

Restricted Stock

On March 24, 2010, the Company granted restricted stock awards covering 50,323 shares of common stock to various employees, including the Company's executive officers, and 3,492 shares of common stock to certain eligible members of the Board of Directors. The restricted stock awards granted to employees will vest ratably over a five-year period, while the restricted stock awards granted to the Board of Directors will vest ratably over a three-year period. During the restriction period, the restricted stockholders are entitled to all of the same rights of a common stockholder with respect to the shares, including the right to vote and receive dividends. These restricted stock awards are also subject to certain claw-back provisions, as defined in the grant agreements.

The grant date fair value of the restricted stock awards was $17.18 per share, which was equal to the closing trading price on the date of grant. Stock compensation expense related to these awards will be amortized on a straight-line basis over the applicable vesting period, net of estimated forfeitures. For the three months ended March 31, 2010, the Company recognized stock compensation expense of approximately $4, which was included in selling, general and administrative expenses in the accompanying consolidated statement of operations. There were no restricted stock awards granted prior to 2010.

As of March 31, 2010, there was approximately $907 of total unrecognized compensation cost related to non-vested restricted stock granted under the LTIP. This cost is expected to be recognized over a weighted average vesting period of approximately 4.9 years. Total unrecognized compensation cost will be adjusted for any future changes in estimated and actual forfeitures.

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share data)

8. Stock-Based Compensation (Continued)

Performance Awards

On March 24, 2010, the Company granted performance stock awards covering 40,741 shares of common stock to certain key management personnel, including the Company's executive officers. These performance stock awards will cliff vest on the third anniversary of the grant date, subject to a performance condition of achieving certain specified levels of the Company's return-on-equity ("ROE"), as defined in the grant agreements, over a performance measurement period from January 1, 2010 to December 31, 2012. If the Company achieves an ROE that is equal to or greater than the threshold ROE, as defined in the grant agreements, the payment of the performance stock awards will vary depending upon the actual ROE that the Company achieves over the performance period, with the potential payout ranging from a minimum of 50% to a maximum of 200% of the target award. However, if the Company were to achieve an ROE that is less than the threshold ROE, there would not be any payout under these awards and the awards would be forfeited. Additionally, these performance stock awards are subject to certain claw-back provisions, as defined in the grant agreements.

The grant date fair value of the performance stock awards was $17.18 per share. The Company will recognize stock compensation expense related to these awards based upon its determination of the potential achievement of the ROE target at each reporting date, net of estimated forfeitures. The stock compensation expense to be recognized will be amortized on a straight-line basis over the three-year vesting period. For the three months ended March 31, 2010, the Company recognized stock compensation expense of approximately $4, which was included in selling, general and administrative expenses in the accompanying consolidated statement of operations. There were no performance share awards granted prior to 2010.

As of March 31, 2010, there was approximately $685 of total unrecognized compensation cost related to non-vested performance awards granted under the LTIP. This cost is expected to be recognized over a weighted average vesting period of approximately 3.0 years. Total unrecognized compensation cost will be adjusted for any future changes in estimated and actual forfeitures.

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share data)

9. Segment Information

The information in the following table was derived from the segment's internal financial reports used for corporate management purposes:

	Three months ended March 31,	
	2009	2010
Contract revenues:		
T&D	$ 99,677	$ 102,834
C&I	33,258	46,055
	$ 132,935	$ 148,889
Operating income (loss):		
T&D	$ 7,378	$ 6,123
C&I	2,682	2,214
General Corporate	(5,028)	(3,626)
	$ 5,032	$ 4,711

10. Earnings Per Share

The Company calculates net income per common share in accordance with ASC Topic 260, *Earnings per Share*. Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding for the reporting period. Diluted earnings per share is computed similarly, except that it reflects the potential dilutive impact that would occur if dilutive securities were exercised into common shares.

In March 2010, the Company issued certain restricted stock awards which vest over a service period that ranges from three to five years. These awards contain non-forfeitable rights to dividends or dividend equivalents. Awards containing such rights that are unvested are considered to be participating securities and would be included in the computation of earnings per share pursuant to the two-class method. Under the two-class method, earnings are allocated between the Company's common stockholders and participating securities. The application of the two-class method during the three months ended March 31, 2010, did not have a material impact on the earnings per share calculation.

Potential common shares related to the assumed exercise of stock options of 538,000 (with a weighted average exercise price of $13.00) and 106,912 (with a weighted average exercise price of $17.18), for the three months ended March 31, 2009 and 2010, respectively, were not included in the denominator of the diluted earnings per share calculation as the inclusion of such shares would either be anti-dilutive or the exercise price was greater than the average market price of the Company's common stock for the period. Additionally, for the three months ended March 31, 2010, potential common shares related to the unvested portion of restricted stock and performance awards of 53,815 and 40,741, respectively, both with a weighted average grant date fair value of $17.18, were also not included in the denominator of the diluted earnings per share calculation as the inclusion of such shares would be anti-dilutive.

MYR GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share data)

10. Earnings Per Share (Continued)

The weighted average number of common shares used to compute basic and diluted net income per share were as follows:

	Three months ended March 31,	
	2009	2010
Weighted average basic common shares outstanding	19,712,811	19,821,127
Assumed exercise of stock options	1,003,444	912,160
Weighted average diluted common shares outstanding	20,716,255	20,733,287

11. Subsequent Events

The Company's management has evaluated subsequent event activity through the date that these financial statements were filed with the SEC in accordance with the Exchange Act. As a result of the evaluation, it was determined that no material subsequent events have occurred that would require additional adjustments or disclosures to the accompanying financial statements of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion should be read in conjunction with the accompanying consolidated financial statements as of December 31, 2009 and March 31, 2010, and for the three months ended March 31, 2009 and 2010, and with our annual report on Form 10-K for the year ended December 31, 2009 (the "2009 Annual Report"). In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed herein under the captions labeled "Cautionary Statement Concerning Forward-Looking Statements and Information" and "Risk Factors", as well as in the 2009 Annual Report. We assume no obligation to update any of these forward-looking statements.

Overview

We are a leading specialty contractor serving the electrical infrastructure market in the United States. We are one of the largest national contractors servicing the T&D sector of the United States electric utility industry. Our T&D customers include electric utilities, cooperatives and municipalities. We provide a broad range of services which includes design, engineering, procurement, construction, upgrade, maintenance and repair services with a particular focus on construction, maintenance and repair throughout the continental United States. We also provide C&I electrical contracting services to facility owners and general contractors in the western United States.

We had consolidated revenues, for the three months ended March 31, 2010, of $148.9 million, of which 69.1% was attributable to our T&D customers and 30.9% was attributable to our C&I customers. For the three months ended March 31, 2010, our net income and EBITDA(1) were $2.8 million and $8.7 million, respectively, compared to $2.9 million and $8.2 million for the three months ended March 31, 2009.

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(1) EBITDA, a performance measure used by management, is defined as net income plus: interest income and expense, provision for income taxes and depreciation and amortization, as shown in the table below. EBITDA, a non-GAAP financial measure, does not purport to be an alternative to net income as a measure of operating performance or to net cash flows provided by operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly-titled measures of other companies. We use, and we believe investors benefit from the presentation of, EBITDA in evaluating our operating performance because it provides us and our investors with an additional tool to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations. We believe that EBITDA is useful to investors and other external users of our financial statements in evaluating our operating performance and cash flow because EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Using EBITDA as a performance measure has material limitations as compared to net income, or other financial measures as defined under U.S. GAAP as it excludes certain recurring items which may be meaningful to investors. EBITDA excludes interest expense or interest income; however, as we have borrowed money in order to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and ability to generate revenue and returns for our stockholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenues, depreciation and amortization are a necessary element of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. As a result of these exclusions from EBITDA, any measure that excludes interest expense, interest income, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net income in each period, so as to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after tax basis. Using both EBITDA and net income to evaluate the business allows management and investors to (a) assess our relative performance against our competitors, and (b) monitor our capacity to generate returns for our stockholders.

The following table provides a reconciliation of net income to EBITDA:

(dollars in thousands)	Three months ended March 31, 2009	Three months ended March 31, 2010
Reconciliation of Net Income to EBITDA:		
Net Income	$ 2,883	$ 2,780
Add/(subtract):		
Interest expense (income), net	100	192
Provision for income taxes	1,989	1,709
Depreciation & amortization	3,249	4,024
EBITDA	$ 8,221	$ 8,705

We also use EBITDA as a liquidity measure. We believe that EBITDA is important in analyzing our liquidity because it is a key component of certain material covenants contained within our syndicated credit facility (the "Credit Agreement"). Non-compliance with these financial covenants under the Credit Agreement—our interest coverage ratio and our leverage ratio—could result in our lenders requiring us to immediately repay all amounts borrowed. If we anticipated a potential covenant violation, we would seek relief from our lenders, likely causing us to incur additional cost, and such relief might not be available, or if available, might not be on terms as favorable as those in the Credit Agreement. In addition, if we cannot satisfy these financial covenants, we would be prohibited under the Credit Agreement from engaging in certain activities, such as incurring additional indebtedness, making certain payments, and acquiring or disposing of assets. Based on the information above, management believes that the presentation of EBITDA as a liquidity measure would be useful to investors and relevant to their assessment of our capacity to service, or incur, debt.

The following table provides a reconciliation of EBITDA to net cash flows provided by (used in) operating activities:

(dollars in thousands)	Three months ended March 31, 2009	Three months ended March 31, 2010
Reconciliation of EBITDA to Net Cash Flows Provided By (Used In) Operating Activities:		
EBITDA	$ 8,221	$ 8,705
Add/(subtract):		
Interest income (expense), net	(100)	(192)
Provision for income taxes	(1,989)	(1,709)
Depreciation & amortization	(3,249)	(4,024)
Adjustments to reconcile net income to net cash flows provided by (used in) operating activities	3,444	4,263
Changes in operating assets and liabilities	(6,915)	(6,410)
Net cash flows provided by (used in) operating activities	$ (588)	$ 633

Our historical growth has been driven primarily by successful bids for, and execution of, several large projects, our ability to continue to capitalize on increased infrastructure spending in our markets and the breadth of our customer base. We believe our centralized fleet and skilled workforce provide us with a competitive advantage as increased spending in the transmission infrastructure market has resulted in an increased demand for a limited supply of specialized equipment and labor. We expect to continue to grow our business organically, as well as selectively consider strategic acquisitions that may improve our competitive position within our existing markets, expand our geographic footprint or strengthen our fleet.

Employment Agreements

As discussed in Note 7. "Commitments and Contingencies—Employment Agreements" in the accompanying Notes to Consolidated Financial Statements, we amended and restated the employment agreements with our six named executive officers in March 2010. Among other things, the amendment removed the provision for severance payments under certain circumstances. As a result, we eliminated a $1.6 million liability related to this provision during the three months ended March 31, 2010.

Backlog

As of March 31, 2010, our backlog was approximately $199.5 million, consisting of $142.9 million and $56.6 million in our T&D and C&I segments, respectively. As of March 31, 2009, our backlog was approximately $294.6 million, consisting of $214.2 million and $80.4 million in our T&D and C&I segments, respectively. Changes in backlog from period to period are primarily the result of fluctuations in the timing and revenue recognition of contracts. The decrease in backlog between 2009 and 2010 was primarily related to the contract completion process and resulting revenue recognition of a few significant contracts that were awarded during the third quarter of 2008 and have not yet been replaced by contracts of similar size.

We refer to our estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, minus the revenue we have recognized under such contracts, as "backlog." We calculate backlog differently for different types of contracts. For our fixed-price contracts, we include the full remaining portion of the contract in our calculation of backlog. For our unit-price, time-and-equipment, time-and-materials, and cost-plus contracts, our projected revenue for a three-month period is included in the calculation of backlog, regardless of the duration of the contract, which typically exceeds such three-month period. These types of contracts are generally awarded as part of master service agreements ("MSAs") which typically have a one- to three-year duration from execution. Given the duration of our contracts and MSAs and our method of calculating backlog, our backlog at any point in time may not accurately represent the revenue that we expect to realize during any period and our backlog as of the end of a fiscal year may not be indicative of the revenue we expect to earn in the following fiscal year and should not be viewed or relied upon as a stand-alone indicator.

Certain of the projects that we undertake are not completed in one accounting period. Revenue on construction contracts is recorded on the percentage-of-completion accounting method determined by the ratio of cost incurred to date on the contracts (excluding uninstalled direct materials) to management's estimates of total contract costs. Projected losses are provided for in their entirety when identified. There can be no assurance as to our customers' requirements or that our estimates of existing and future needs under MSAs, or the values of our cost or time-dependent contracts, are accurate and, therefore, our backlog may not be realized as part of our future revenues.

Project Bonding Requirements

Approximately 30.5% of our business by revenue, for both of the three-month periods ended March 31, 2009 and 2010, required surety bonds or other means of financial assurance to secure contractual performance. If we fail to perform or pay subcontractors and vendors, the customer may demand that the surety provide services or make payments under the bond. We must reimburse the surety for any expenses or outlays it incurs. To date, we have not been required to make any reimbursements to our surety for claims against the bonds. As of March 31, 2010, the total amount of bonded backlog was approximately $108.6 million, which represented approximately 54.5% of our backlog.

Consolidated Results of Operations

The following table sets forth selected consolidated statements of operations data and such data as a percentage of revenues for the period indicated (dollars in thousands):

	Three months ended March 31,			
	2009		2010	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues	$ 132,935	100.0%	$ 148,889	100.0%
Contract costs	115,902	87.2	133,720	89.8
Gross profit	17,033	12.8	15,169	10.2
Selling, general and administrative expenses	11,974	9.0	10,564	7.1
Amortization of intangible assets	84	0.1	84	0.1
Gain on sale of property and equipment	(57)	—	(190)	(0.1)
Income from operations	5,032	3.8	4,711	3.1
Other income (expense)				
Interest income	122	0.1	11	—
Interest expense	(222)	(0.2)	(203)	(0.1)
Other, net	(60)	—	(30)	—
Income before provision for income taxes	4,872	3.7	4,489	3.0
Income tax expense	1,989	1.5	1,709	1.1
Net income	$ 2,883	2.2%	$ 2,780	1.9%

Three Months Ended March 31, 2009 Compared to Three Months Ended March 31, 2010

Revenues. Revenues increased $16.0 million, or 12.0%, from $132.9 million for the three months ended March 31, 2009 to $148.9 million for the three months ended March 31, 2010. The majority of the increase in revenues was the result of a significant increase in revenues from a few large projects (greater than $10.0 million in contract value) in both the T&D and C&I segments, which was partially offset with an overall reduction in revenues on smaller projects (less than $3.0 million in contract value) in both reporting segments.

Gross Profit. Gross profit decreased approximately $1.9 million, or 10.9%, from $17.0 million for the three months ended March 31, 2009 to $15.2 million for the three months ended March 31, 2010. As a percentage of overall revenues, gross profit margin decreased from 12.8% for the three months ended March 31, 2009 to 10.2% for the three months ended March 31, 2010. For the three months ended March 31, 2010, we experienced pressures on margins due to lower productivity levels compared to plan on certain contracts, coupled with overall margin pressures from increased competition. The decrease in gross profit was mainly attributable to an overall reduction in contract margins on smaller T&D projects (less than $3.0 million in contract value) of approximately $3.3 million, which was partially offset by an overall net increase of approximately $0.6 million in contract margins on larger projects (greater than $10.0 million in contract value) period over period.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $1.4 million, or 11.8%, from $12.0 million for the three months ended March 31, 2009 to $10.6 million for the three months ended March 31, 2010. The decrease was primarily due to the elimination of a $1.6 million severance liability as a result of the amended employment agreements of our executive officers. The decrease was partially offset by an increase in certain incremental employee benefit costs. As a percentage of revenues, these expenses decreased from 9.0% for the three months ended March 31, 2009 to 7.1% for the three months ended March 31, 2010.

Gain on Sale of Property and Equipment. Gains from the sale of property and equipment increased $0.1 million from $0.1 million for the three months ended March 31, 2009 to $0.2 million for the three months ended March 31, 2010. Gains from the sale of property and equipment were the result of routine sales of property and equipment that we determined were no longer useful or valuable to our ongoing operations.

Interest Income. Interest income decreased $0.1 million from $0.1 million for the three months ended March 31, 2009 to less than $0.1 million for the three months ended March 31, 2010 due to the overall decrease in interest rates earned on our average daily cash balance.

Interest Expense. Interest expense remained constant at $0.2 million for the three months ended March 31, 2009 and 2010.

Provision for Income Taxes. The provision for income taxes was $2.0 million for the three months ended March 31, 2009, with an effective tax rate of 40.8% compared to $1.7 million for the three months ended March 31, 2010, with an effective tax rate of 38.1%. The decrease in effective tax rate was mainly due to an increase in certain domestic production tax credits available to us and a small reduction in our accrual for unrecognized tax benefits due to the closure of a federal tax audit during the three months ended March 31, 2010.

Segment Results

The following table sets forth, for the periods indicated, statements of operations data by segment in thousands of dollars, segment net sales as percentage of total net sales and segment operating income as a percentage of segment net sales.

	Three months ended March 31,			
	2009		2010	
(dollars in thousands)	Amount	Percent	Amount	Percent
Contract revenues:				
Transmission & Distribution	$ 99,677	75.0%	$ 102,834	69.1%
Commercial & Industrial	33,258	25.0	46,055	30.9
Total	$ 132,935	100.0	$ 148,889	100.0
Operating income (loss):				
Transmission & Distribution	$ 7,378	7.4	$ 6,123	6.0
Commercial & Industrial	2,682	8.1	2,214	4.8
Total	10,060	7.6	8,337	5.6
Corporate	(5,028)	(3.8)	(3,626)	(2.4)
Consolidated	$ 5,032	3.8%	$ 4,711	3.2%

Transmission & Distribution

Revenues for our T&D segment for the three months ended March 31, 2009 were $99.7 million compared to $102.8 million for the three months ended March 31, 2010, an increase of approximately $3.2 million or 3.2%. The increase in revenues was the result of a significant increase in revenues from a few large projects. Revenues from transmission projects represented 68.6% and 61.4% of T&D segment revenue for the three months ended March 31, 2009 and 2010, respectively. Additionally, for the three months ended March 31, 2009, measured by revenue in our T&D segment, we provided 28.0% of our T&D services under fixed price contracts, as compared to 22.0% for the three months ended March 31, 2010.

Operating income for our T&D segment for the three months ended March 31, 2009 was $7.4 million compared to $6.1 million for the three months ended March 31, 2010, a decrease of $1.3 million or 17.0%. As a percentage of revenues, operating income decreased from 7.4% for the three months ended March 31, 2009 to 6.0% for the three months ended March 31, 2010. The decrease in operating income in the T&D segment was mainly attributable to an overall reduction in margins on smaller T&D contracts (less than $3.0 million in contract value) of approximately $3.3 million, which was partially due to lower productivity levels compared to plan on certain contracts, as well as increased competition in bidding activity. The decrease in margins on smaller contracts was partially offset with an overall increase in margins on large transmission contracts (greater than $10.0 million in contract value) of approximately $2.1 million. This increase in margins from large transmission contracts during the current period is inclusive of the impact of a reduction in the estimated cost to complete on a few contracts.

Commercial & Industrial

Revenues for our C&I segment for the three months ended March 31, 2009 were $33.3 million compared to $46.1 million for the three months ended March 31, 2010, an increase of $12.8 million or 38.5%. The increase in revenues is due mainly to the significant increase in revenues derived from a few large projects. Additionally, for the three months ended March 31, 2009, measured by revenue in our C&I segment, we provided 45.6% of our services under fixed price contracts, as compared to 25.4% for the three months ended March 31, 2010.

Operating income for our C&I segment for the three months ended March 31, 2009 was $2.7 million compared to $2.2 million for the three months ended March 31, 2010, a decrease of $0.5 million or 17.4%. As a percentage of revenues, operating income decreased from 8.1% for the three months ended March 31, 2009 to 4.8% for the three months ended March 31, 2010. The decrease in operating income in the C&I segment was mainly attributable to an overall reduction in margins on large C&I contracts (greater than $10.0 million in contract value) of approximately $1.5 million. This decrease in contract margins was due to lower productivity levels compared to plan on a few large contracts, as well as increased competition.

Liquidity and Capital Resources

As of March 31, 2010, we had cash and cash equivalents of $37.1 million, positive working capital of $78.7 million and long-term liabilities in the amount of $46.7 million, which consisted of the long-term portion of our term loan facility, deferred income taxes and deferred compensation obligations. We also had a $15.0 million letter of credit outstanding under the Credit Agreement. During the three months ended March 31, 2010, consolidated operating activities of our business resulted in net cash flow generated from operations of $0.6 million compared to net cash used in operations of $0.6 million for the three months ended March 31, 2009. Cash flow from operations is primarily influenced by demand for our services, operating margins and the type of services we provide our customers. During the three months ended March 31 2010, we used net cash in investing activities of $1.2 million, including $1.4 million used for capital expenditures, offset by approximately $0.2 million of proceeds from the sale of property and equipment. During the three months ended March 31 2010, we generated net cash from financing activities of $0.1 million, resulting primarily from net cash received from the exercise of stock options and the related tax benefits.

The changes in various consolidated balance sheet accounts (such as, accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts, accounts payable, and billings in excess of costs and estimated earnings on uncompleted contracts) are due to normal timing fluctuations in our operating activities.

We anticipate that our cash and cash equivalents on hand, the $60.0 million borrowing availability under the Credit Agreement, and our future cash flow from operations will provide sufficient cash to enable us to meet our future operating needs, debt service requirements, and planned capital expenditures. We expect that our capital spending in 2010 will be reasonably consistent with our 2009 capital spending. Although we believe that we have adequate cash and availability under our credit facility to meet these needs, our involvement in any large-scale initiatives to rebuild the United States electric power grid may require additional working capital, depending upon the size and duration of the project and the financial terms of the underlying agreement.

Debt Instruments

On August 31, 2007, we entered into an agreement for a $125.0 million senior secured credit facility which provides for a $75.0 million revolving credit line (which may be increased or decreased in accordance with the terms of the related credit agreement) and a $50.0 million term loan facility. At our option, borrowings under the Credit Agreement bear interest at either (1) the greater of a prime rate or the federal funds rate plus a spread based upon our leverage ratio or (2) an adjusted London Interbank Offered Rate ("LIBOR") plus a spread based upon our leverage ratio. There were $30.0 million of borrowings outstanding under the facility accruing interest at 1.25% (which is equal to an adjusted one-month LIBOR plus a spread of 1.0%) at March 31, 2010. As of March 31, 2010, we had a $15.0 million letter of credit outstanding, which reduced our borrowing capacity under the revolving credit line. The Credit Agreement expires on August 31, 2012. We had $60.0 million available under the Credit Agreement as of March 31, 2010.

The terms of the Credit Agreement require, among other things, that we adhere to a maximum leverage ratio and maintain a minimum EBITDA-based interest coverage ratio, both of which are defined under the Credit Agreement and determined on a rolling four consecutive quarter basis. The EBITDA-based interest coverage ratio covenant requires us to have a ratio of EBITDA to interest expense of not less than 3.0 to 1.0. We are also required to have a leverage ratio of no more than 3.0 to 1.0. As of March 31, 2010, our interest coverage ratio was in excess of 49.0 to 1.0 and our leverage ratio was less than 1.0 to 1.0, both within the required covenant levels permitted under the Credit Agreement.

The Credit Agreement also includes other specific limits or restrictions on additional indebtedness, liens and capital expenditure activity. Our obligations under the Credit Agreement are secured by a lien on all of our property (including the capital stock of our subsidiaries) other than any property subject to a certificate of title, subject to a lease or similar interest and our real property and fixtures. As of March 31, 2010, we were in compliance with all applicable debt covenants.

Off-Balance Sheet Transactions

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 entered into in the normal course of business. We have not engaged in any off-balance sheet financing arrangements through special purpose entities.

Leases

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 the use of facilities, vehicles and equipment rather than purchasing them. We may decide to cancel or terminate a lease before the end of its term, in which case we are typically liable to the lessor for the remaining lease payments under the term of the lease.

We have guaranteed the residual value of the underlying assets under certain of our equipment operating leases at the date of termination of such leases. We have agreed to pay any difference between this residual value and the fair market value of each underlying asset as of the lease termination date. As of March 31, 2010, the maximum guaranteed residual value was approximately $1.5 million. We believe that no significant payments will be made as a result of the difference between the fair market value of the leased equipment and the guaranteed residual value. However, there can be no assurance that future significant payments will not be required.

We typically have purchase options on the equipment underlying our long term operating leases and many of our short term rental arrangements. We continue to exercise many of these purchase options as the need for equipment is on-going and the purchase option price is attractive.

Letters of Credit

Certain of our vendors require letters of credit to ensure reimbursement for amounts they are disbursing on our behalf, such as to beneficiaries under our insurance programs. In addition, from time-to-time some customers require us to post letters of credit to ensure payment to our subcontractors and vendors under those contracts and to guarantee performance under our contracts. 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 claims that we have failed to perform specified actions in accordance with the terms of the letter of credit. 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. We do not believe that it is likely that any claims will be made under any letter of credit in the foreseeable future.

As of March 31, 2010, we had a $15.0 million letter of credit outstanding under the Credit Agreement to secure obligations under our casualty insurance program.

Surety Bonds

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. Under our continuing indemnity and security agreement with the surety, with the consent of our lenders under the Credit Agreement, we have granted security interests in certain of our assets to collateralize our obligations to the surety. We may be required to post letters of credit or other collateral in favor of the surety or our customers. Posting letters of credit in favor of the surety or our customers would reduce the borrowing availability under the Credit Agreement. To date, we have not been required to make any reimbursements to the 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. As of March 31, 2010, an aggregate of approximately $456.8 million in original face amount of bonds issued by the surety were outstanding. Our estimated cost to complete these bonded projects was approximately $97.8 million as of March 31, 2010.

Legal Proceedings

For a discussion regarding legal proceedings, please refer to Note 7. "Commitments and Contingencies—Litigation and Other Legal Matters" in the accompanying Notes to Consolidated Financial Statements.

New Accounting Pronouncements

For a discussion regarding new accounting pronouncements, please refer to Note 2. "Basis of Presentation—Recently Issued Accounting Pronouncements" in the accompanying Notes to Consolidated Financial Statements.

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 U.S. GAAP. 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. For further information regarding our critical accounting policies and estimates, please refer to Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" included in the 2009 Annual Report.

Cautionary Statement Concerning Forward-Looking Statements and Information

We are including the following discussion to inform you of some of the risks and uncertainties that can affect our company and to take advantage of the protections for forward-looking statements that applicable federal securities law affords.

Various statements contained in this quarterly report on Form 10-Q are forward-looking statements, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenue, income and capital spending. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "plan," "goal" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this quarterly report on Form 10-Q speak only as of the date of this quarterly report on Form 10-Q; we disclaim any obligation to update these statements (unless required by securities laws), and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed in Item 1A. "Risk Factors" in our 2009 Annual Report, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

These risks, contingencies and uncertainties include, but are not limited to, the following:

- our operating results may vary significantly from year to year;
- we are unable to predict the impact of the current economic conditions in the financial markets and the resulting constraints in obtaining financing on our business and financial results;
- the recent instability of the financial markets and adverse economic conditions could have a material adverse effect on the ability of our customers to perform their obligations to us;

- demand for our services is cyclical and vulnerable to industry downturns and regional and national downturns, which may be amplified by the current economic conditions;
- our industry is highly competitive;
- we may be unsuccessful in generating internal growth;
- many of our contracts may be canceled upon short notice and we may be unsuccessful in replacing our contracts if they are canceled or as they are completed or expire;
- backlog may not be realized as part of our future revenues or may not result in profits;
- the timing of new contracts or termination of existing contracts may result in unpredictable fluctuations in our cash flow and financial results;
- the Energy Policy Act of 2005 may not result in increased spending on electric power transmission infrastructure and the current economic conditions in the United States may lead to cancellations or delays of related projects;
- we may not benefit from the passage of the American Recovery and Reinvestment Act of 2009;
- our use of percentage-of-completion accounting could result in a reduction or elimination of previously recognized profits;
- our actual costs may be greater than expected in performing our fixed price and unit price contracts;
- our financial results are based upon estimates and assumptions that may differ from actual results;
- we insure against many potential liabilities and our reserves for estimated losses may be less than our actual losses;
- we may incur liabilities or suffer negative financial impacts relating to occupational health and safety matters;
- we may pay our suppliers and subcontractors before receiving payment from our customers for the related services;
- we extend credit to customers for purchases of our services, and in the past we have had, and in the future we may have, difficulty collecting receivables from customers that experience financial difficulties;
- we derive a significant portion of our revenues from a few customers, and the loss of one or more of these customers could have a material adverse effect on our consolidated financial condition, results of operations and cash flows;
- a significant portion of our business depends on our ability to provide surety bonds, and we may be unable to compete for or work on certain projects if we are not able to obtain the necessary surety bonds;
- our bonding requirements may limit our ability to incur indebtedness;
- inability to hire or retain key personnel could disrupt business;
- work stoppages or other labor issues with our unionized workforce could adversely affect our business;
- our business is labor intensive and we may be unable to attract and retain qualified employees;
- inability to perform our obligations under engineering, procurement and construction contracts may adversely affect our business;

- we require subcontractors to assist us in providing certain services, and we may be unable to retain the necessary subcontractors to complete certain projects;
- our business growth could outpace the capability of our internal infrastructure;
- seasonal and other variations, including severe weather conditions, may cause significant fluctuations in our consolidated financial condition, results of operations and cash flows;
- we are subject to risks associated with climate change;
- our failure to comply with environmental laws could result in significant liabilities;
- increases in the cost of certain materials and fuel could reduce our operating margins;
- we could incur liquidated damages or other damages if we do not complete our projects in the time allotted under the applicable contract, or we may be required to perform additional work if our services do not meet certain standards of quality;
- opportunities within the governmental arena could lead to increased governmental regulation applicable to us;
- if we fail to integrate future acquisitions successfully, our consolidated financial condition, results of operations and cash flows could be adversely affected;
- our business may be affected by difficult work environments;
- failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, our operating results and the value of our common stock; and
- provisions in our organizational documents and under Delaware law could delay or prevent a change of control of our company, which could adversely affect the price of our common stock.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of March 31, 2010, we did not have any derivative instruments. We did not use any material derivative financial instruments during the three months ended March 31, 2009 and 2010, including trading or speculation on changes in interest rates or commodity prices of materials used in our business.

We grant credit under normal payment terms, generally without collateral, to our customers, which include electric power companies, governmental entities, general contractors and builders, owners and managers of commercial and industrial properties located in the United States. Consequently, we are subject to potential credit risk related to changes in business and economic factors throughout the United States. However, we generally have certain statutory lien rights with respect to services provided. Under certain circumstances such as foreclosures or negotiated settlements, we may take title to the underlying assets in lieu of cash in settlement of receivables. As of March 31, 2010, one customer represented 23.9% of total consolidated accounts receivable (excluding the impact of allowance for doubtful accounts). No other customer represented more than 10.0% of our total consolidated accounts receivable as of March 31, 2010. For the three months ended March 31, 2010, revenues from two of those customers individually exceeded 10.0% of our total consolidated revenues, with a combined revenue from the two accounting for approximately 33.7% of our total consolidated revenues. For the three months ended March 31, 2009, no individual customer exceeded 10.0% of our total consolidated revenues. Management believes the terms and conditions in its contracts, billing and collection policies are adequate to minimize the potential credit risk.

Borrowings under the Credit Agreement are based upon an interest rate that will vary depending upon the prime rate, the federal funds rate and LIBOR. If we borrow additional amounts under the Credit Agreement, the interest rate on those borrowings will also be variable. If the prime rate, federal funds rate or LIBOR rise, our interest payment obligations will increase and have a negative effect on our cash flow and financial condition. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest. As of March 31, 2010, we had $30 million of borrowings outstanding under the Credit Agreement. The Credit Agreement currently accrues annual interest at one-month LIBOR in effect at each month end plus a spread of 1.00%, based upon our current leverage ratio, as defined in the Credit Agreement. A 0.125% increase or decrease in the interest rate would have the effect of changing our interest expense by $37,500 per year.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in the reports we file or submit pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management, together with our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) as of the end of the period covered by this quarterly report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance related to the matters stated in the above paragraph.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the first quarter ended March 31, 2010 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will detect or prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. These inherent limitations include the realities that judgments in decision- making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II.—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For further discussion regarding legal proceedings, please refer to Note 7. "Commitments and Contingencies—Litigation and Other Legal Matters" in the accompanying Notes to Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

An investment in our common stock involves various risks. When considering an investment in our company, you should carefully consider all of the risk factors described in our 2009 Annual Report. These risks and uncertainties are not the only ones facing us and there may be additional matters that are not known to us or that we currently consider immaterial. All of these risks and uncertainties could adversely affect our business, financial condition or future results and, thus, the value of our common stock and any investment in our company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

None.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Number	Description
3.1	Restated Certificate of Incorporation (1)
3.2	Amended and Restated By-Laws (2)
10.1	Form of Executive Officer Nonqualified Stock Option Award under 2007 Long-Term Incentive Plan †
10.2	Form of Executive Officer Restricted Stock Award under 2007 Long-Term Incentive Plan †
10.3	Form of Executive Officer Performance Share Award under 2007 Long-Term Incentive Plan †
10.4	Form of Director Restricted Stock Award under 2007 Long-Term Incentive Plan †
10.5	Form of Employment Agreement, dated March 11, 2010, between the Registrant and Executive Officer †
31.1	Certification of Chief Executive Officer pursuant to SEC Rule 13a-14(a)/15d-14(a) †
31.2	Certification of Chief Financial Officer pursuant to SEC Rule 13a-14(a)/15d-14(a) †
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350 †
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350 †

(1) Incorporated by reference to exhibit 3.1 of the Company's Registration Statement on Form S-1 (File No. 333-148864), filed with the SEC on January 25, 2008.

(2) Incorporated by reference to exhibit 3.2 of the Company's Registration Statement on Form S-1/A (File No. 333-148864), filed with the SEC on May 13, 2008.

† Filed herewith

SIGNATURE

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

MYR GROUP INC.
(Registrant)

May 10, 2010

/s/ MARCO A. MARTINEZ

Vice President, Chief Financial Officer and Treasurer

Exhibit 10.1

MYR GROUP INC.

NONQUALIFIED STOCK OPTION AWARD AGREEMENT
(Named Executive Officer)

This AGREEMENT (this “Agreement”) is made as of [ ] (the “Date of Grant”), by and between MYR Group Inc., a Delaware corporation (the “Company”), and [ ] (“Optionee”).

1. Grant of Option. Pursuant to the MYR Group Inc. 2007 Long-Term Incentive Plan (the “Plan”) and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby grants to Optionee the right and option (the “Option”) to purchase all or any part of [ ] shares of Common Stock at a price of $[ ] per share (the “Exercise Price”). The Option granted pursuant to this Agreement is not intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).

2. Vesting Schedule. Except as otherwise provided herein or in the Plan, the Option shall become 100 percent vested three years from the Date of Grant, if Optionee has continuously provided services to the Company or a Subsidiary or has been continuously employed by the Company or a Subsidiary until such date. Prior to becoming 100 percent vested, the Option shall become exercisable in three cumulative installments as listed on Exhibit A and shall remain exercisable until the tenth anniversary of the Date of Grant (the “Option Term”).

3. Accelerated Vesting. Notwithstanding the provisions of Section 2 hereof, the Option shall become immediately 100 percent vested and exercisable (regardless of the extent to which such Option was then vested) if any of the following circumstances apply:

   (a) Termination without Cause or Good Reason: Optionee’s termination of employment without “Cause” or with “Good Reason” (as each term is defined in the Optionee’s Employment Agreement with the Company, dated March 11, 2010, as may be amended from time to time (the “Employment Agreement”)).

   (b) Death or Disability: Optionee dies or upon his Disability (as such term is defined in the Employment Agreement).

   (c) Normal Retirement: Optionee retires after having attained “normal retirement age” (as such term is defined in the Social Security Act of 1935, as amended).

   (d) Change in Control: A Change in Control occurs.

4. Expiration of Option.

   (a) Except as set forth herein or in subsections (b), (c) or (d) below, an Option may not be exercised unless the Optionee is then in the employ of, maintains an independent contractor relationship with, or is a director of, the Company or a Subsidiary (or a company or a parent or subsidiary company of such company issuing or assuming the Option in a transaction to which Section 424(a) of the Code applies), and unless the Optionee has remained continuously so employed, or continuously maintained such relationship, since the Date of Grant.

(b) If the Optionee's employment or service terminates because of Optionee's death or Disability or upon the Optionee's retirement on or after the Optionee's attainment of his "normal retirement age" (as such term is defined in the Social Security Act of 1935, as amended), the portions of outstanding Options granted to the Optionee that are exercisable as of the date of such termination of employment or service shall remain exercisable until the earlier of (i) three (3) years following the date of such termination of employment or service and (ii) expiration of the Option Term and shall thereafter terminate. All additional portions of outstanding Options granted to such Optionee that are not exercisable as of the date of such termination of employment or service shall terminate upon the date of such termination of employment or service.

(c) If the Optionee's employment or service is terminated for Cause, all vested and unvested outstanding Options granted to such Optionee shall terminate on the date of the Optionee's termination of employment or service.

(d) If the Optionee's employment or service with the Company and its Subsidiaries terminates (including by reason of the Subsidiary which employs the Optionee ceasing to be a Subsidiary of the Company) other than as described in subsections (b) and (c) above, the portions of outstanding Options granted to the Optionee that are exercisable as of the date of such termination of employment or service shall remain exercisable until the earlier of (i) 90 days following the date of such termination of employment or service and (ii) expiration of the Option Term and shall thereafter terminate. All additional portions of outstanding Options granted to such Optionee that are not exercisable as of the date of such termination of employment or service shall terminate upon the date of such termination of employment or service.

5. Manner of Exercise.

(a) The Option, to the extent then vested and exercisable, shall be exercisable by delivery to the Company of a written notice stating the number of shares as to which the Option is exercised pursuant to this Agreement and a designation of the method of payment of the Exercise Price with respect to the shares of Common Stock to be purchased. An Option may not be exercised for less than 100 shares of Common Stock (or the number of remaining shares of Common Stock subject to the Option if less than 100).

(b) The Exercise Price, or portion thereof, with respect to the shares of Common Stock to be purchased, shall be paid in full at the time of exercise; payment may be made in cash, which may be paid by check, or other instrument or in any other manner acceptable to the Company. The Committee may permit, in its sole discretion, such amount to be paid in shares of Common Stock previously owned by the Optionee, or a portion of shares of Common Stock that otherwise would be distributed to such Optionee upon exercise of the Option, or a combination of cash and such Common Stock.

6. Transferability. Transferability shall be as set forth in the Plan.

7. No Employment Contract. Nothing contained in this Agreement shall (a) confer upon Optionee any right to be employed by or remain employed by the Company, or (b) limit or affect in any manner the right of the Company to terminate the employment of Optionee at any time.

8. Withholding Taxes. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the exercise of this Option, it shall be a condition to such exercise that the Optionee pay or make arrangements satisfactory to the Company for payment of all such taxes. The Optionee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the shares purchased upon exercise of this Option. If such election is made, the shares so retained shall be credited against such withholding requirement at the Fair Market Value on the date of exercise. In no event, however, shall the Company accept shares for payment of taxes in excess of required tax withholding rates.

9. Restrictive Covenants. If the Optionee engages in any conduct in breach of any noncompetition, nonsolicitation or confidentiality obligations to the Company under any agreement, policy or plan, then such conduct shall also be deemed to be a breach of the terms of the Plan and this Agreement. Upon such breach the Option shall be cancelled and, if and to the extent the Option was exercised within a period of 18 months prior to such breach, the Optionee shall be required to return to the Company, upon demand, any equity acquired by Optionee upon such exercise or the net proceeds of any exercises and sales. For purposes of this Section 9, net proceeds shall mean the difference between the Exercise Price and the greater of (a) the price of Common Stock on the date of exercise or (b) the amount realized upon the disposition of the underlying shares, less any applicable taxes withheld by the Company.

10. Recovery of Options. If (a) the Company restates any part of its financial statements for any fiscal year or years during which the Option is not yet vested pursuant to Sections 2 or 3 due to material noncompliance with any financial reporting requirement under the U.S. securities laws applicable to such fiscal year or years (a "Restatement") and (b) the Committee determines that Optionee is personally responsible for causing the Restatement as a result of Optionee's personal misconduct or any fraudulent activity on the part of Optionee, then the Committee has discretion to, based on applicable facts and circumstances and subject to applicable law, cause the Company to cancel the Option and, if and to the extent the Option was exercised within a period of 18 months prior to the Restatement, the Optionee shall be required to return to the Company, upon demand, any equity acquired by Optionee upon such exercise or the net proceeds of any exercises and sales. For purposes of this Section 10, net proceeds shall mean the difference between the Exercise Price and the greater of (a) the price of Common Stock on the date

of exercise or (b) the amount realized upon the disposition of the underlying shares, less any applicable taxes withheld by the Company.

11. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions that arise in connection with the grant of the Option.

12. Miscellaneous. All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Agreement shall be binding, conclusive and final. The waiver by the Company of any provision of this Agreement shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of this Agreement. Optionee agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Agreement.

13. Capitalized Terms. All capitalized terms used in this Agreement that are not defined herein shall have the meanings given them in the Plan unless the context clearly requires otherwise.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer, as of the day and year first above written.

MYR GROUP INC.

BY: ______________________________

Name: William A. Koertner
Title: Chairman of the Board

The undersigned Optionee hereby acknowledges receipt of an executed copy of this Agreement and accepts the Option or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions herein above set forth.

____
Optionee

Date: ______________________________

Exhibit A

Nonqualified Stock Options Vesting Schedule
Date of Grant [ ]

Percent of Grant Exercisable	Number of Shares	Date First Available For Exercise
33.33%		[ ]
33.33%		[ ]
33.33%		[ ]

Exhibit 10.2

MYR GROUP INC.

RESTRICTED STOCK AWARD AGREEMENT
(Named Executive Officer)

This AGREEMENT (this "Agreement") is made as of [ ] (the "Date of Grant"), by and between MYR Group Inc., a Delaware corporation (the "Company"), and [ ] ("Grantee").

1. Grant of Restricted Stock. Pursuant to the MYR Group Inc. 2007 Long-Term Incentive Plan (the "Plan") and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby grants to Grantee [ ] shares of Common Stock (the "Restricted Stock").

2. Rights of Grantee. The shares of Restricted Stock subject to this grant shall be fully paid and nonassessable and shall be either (a) represented by certificates held in custody by the Company until all restrictions thereon have lapsed, together with a stock power or powers executed by the Grantee in whose name such certificates are registered, endorsed in blank and covering such shares of Restricted Stock, or (b) held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock, and endorsed with an appropriate legend referring to the restrictions hereinafter set forth. Grantee shall have all the rights of a stockholder with respect to such shares, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

3. Restrictions on Transfer of Shares of Restricted Stock. The shares of Restricted Stock may not be transferred, assigned or subject to any encumbrance, pledge or charge, until the shares of Restricted Stock have vested as provided in Sections 4 and 5 hereof; provided, however, that the Grantee's rights with respect to the Restricted Shares may be transferred by will or pursuant to the laws of descent and distribution. Any purported transfer in violation of the provisions of this Section 3 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in the Restricted Shares.

4. Vesting of Restricted Shares. Subject to the terms and conditions of this Agreement and the Plan, the shares of Restricted Stock shall vest in accordance with the vesting schedule set forth on Exhibit A hereto provided the Grantee remains continuously employed by the Company until the applicable vesting dates listed on Exhibit A.

5. Accelerated Vesting of Restricted Shares. Notwithstanding the provisions of Section 4 hereof, the shares of Restricted Stock covered by this Agreement shall become immediately vested in full if any of the following circumstances apply:

   (a) Termination without Cause or Good Reason: Grantee's termination of employment without "Cause" or with "Good Reason" (as each term is defined in the Grantee's Employment Agreement with the Company, dated March 11, 2010, as may be amended from time to time (the "Employment Agreement")).

(b) Death or Disability: Grantee dies or upon his Disability (as such term is defined in the Employment Agreement).

(c) Change in Control: A Change in Control occurs while Grantee is an employee of the Company.

6. Forfeiture of Shares. Except to the extent the shares of Restricted Stock covered by this Agreement have vested pursuant to Sections 4 or 5 hereof, Grantee's right to receive the shares of Restricted Stock covered by this Agreement shall be forfeited automatically and without further notice on the date that Grantee ceases to be an employee of the Company or a Subsidiary prior to the fifth anniversary of the Date of Grant for any reason other than as described in Section 5.

7. No Employment Contract. Nothing contained in this Agreement shall (a) confer upon Grantee any right to be employed by or remain employed by the Company, or (b) limit or affect in any manner the right of the Company to terminate the employment of Grantee at any time.

8. Withholding Taxes. To the extent that the Company is required to withhold any federal, state, local or foreign taxes in connection with any delivery of shares of Restricted Stock to the Grantee, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such delivery that the Grantee shall pay such taxes or make arrangements that are satisfactory to the Company for payment thereof. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the shares of Restricted Stock delivered to the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Fair Market Value on the date of such delivery. In no event, however, shall the Company accept shares for payment of taxes in excess of required tax withholding rates.

9. Restrictive Covenants. If the Grantee engages in any conduct in breach of any noncompetition, nonsolicitation or confidentiality obligations to the Company under any agreement, policy or plan, then such conduct shall also be deemed to be a breach of the terms of the Plan and this Agreement. Upon such breach, Grantee's right to receive the shares of Restricted Stock covered by this Agreement shall be forfeited automatically and without further notice and, if and to the extent any shares of Restricted Stock covered by this Agreement have vested pursuant to Sections 4 or 5 within a period of 18 months prior to such breach, the Grantee shall be required to return to the Company, upon demand, such shares or the net proceeds of any sales. For purposes of this Section 9, net proceeds shall mean the amount realized upon the disposition of the shares, less any applicable taxes withheld by the Company.

10. Recovery of Restricted Stock. If (a) the Company restates any part of its financial statements for any fiscal year or years during which the shares of Restricted Stock

covered by this Agreement have been granted due to material noncompliance with any financial reporting requirement under the U.S. securities laws applicable to such fiscal year or years (a "Restatement") and (b) the Committee determines that Grantee is personally responsible for causing the Restatement as a result of Grantee's personal misconduct or any fraudulent activity on the part of Grantee, then the Committee has discretion to, based on applicable facts and circumstances and subject to applicable law, cause the Grantee's right to receive the shares of Restricted Stock covered by this Agreement to be forfeited automatically and without further notice and, if and to the extent any shares of Restricted Stock covered by this Agreement have vested pursuant to Sections 4 or 5 within a period of 18 months prior to the Restatement, the Grantee shall be required to return to the Company, upon demand, such shares or the net proceeds of any sales. For purposes of this Section 10, net proceeds shall mean the amount realized upon the disposition of the shares, less any applicable taxes withheld by the Company.

11. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions that arise in connection with the grant of shares of Restricted Stock.

12. Miscellaneous. All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Agreement shall be binding, conclusive and final. The waiver by the Company of any provision of this Agreement shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of this Agreement. Grantee agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Agreement.

13. Capitalized Terms. All capitalized terms used in this Agreement that are not defined herein shall have the meanings given them in the Plan unless the context clearly requires otherwise.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, as of the day and year first above written.

MYR GROUP INC.

By: ______________________________

Name: William A. Koertner
Title: Chairman of the Board

The undersigned Grantee hereby acknowledges receipt of an executed copy of this Agreement and accepts the right to receive any shares of Restricted Stock or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions herein above set forth.

____

Grantee

Date: ______________________________

Exhibit A

Time Based Restricted Stock Vesting Schedule
Grant of Date [ ]

Date	Total Shares of Restricted Stock Vested
[ ]	
[ ]	
[ ]	
[ ]	
[ ]	

Exhibit 10.3

MYR GROUP INC.

PERFORMANCE SHARES AWARD AGREEMENT
(Named Executive Officer)

This AGREEMENT (this "Agreement") is made as of [ ] (the "Date of Grant"), by and between MYR Group Inc., a Delaware corporation (the "Company"), and [ ] ("Grantee").

1. Grant of Performance Shares. Pursuant to the MYR Group Inc. 2007 Long-Term Incentive Plan (the "Plan") and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby grants to Grantee [ ] Performance Shares (the "Target Performance Shares"), payment of which depends on the Company's performance as set forth in this Agreement and as communicated to the Grantee by the Committee (the "Statement of Performance Goals" Exhibit A hereto).

2. Earning of Target Performance Shares.

(a) Performance Measure: The Grantee's right to receive all of, any portion of, or more than, the Target Performance Shares will be contingent upon the achievement of specified levels of the Company's Return on Equity ("ROE"), as set forth in the Statement of Performance Goals and will be measured over the period from January 1, 2010 through December 31, 2012 (the "Performance Period").

(b) Below Threshold: If, upon the conclusion of the Performance Period, ROE for the Performance Period falls below the threshold level, as set forth in the Performance Matrix contained in the Statement of Performance Goals, no Performance Shares for the Performance Period shall become earned.

(c) Threshold: If, upon the conclusion of the Performance Period, ROE for the Performance Period equals the threshold level, as set forth in the Performance Matrix contained in the Statement of Performance Goals, 50% of the Target Performance Shares for the Performance Period shall become earned.

(d) Between Threshold and Target: If, upon the conclusion of the Performance Period, ROE exceeds the threshold level, but is less than the target level, as set forth in the Performance Matrix contained in the Statement of Performance Goals, the Target Performance Shares shall become earned based on performance during the Performance Period, as determined by mathematical straight-line interpolation between 50% of the Target Performance Shares and 100% of the Target Performance Shares.

(e) Target: If, upon the conclusion of the Performance Period, ROE for the Performance Period equals the target level, as set forth in the Performance Matrix contained in the Statement of Performance Goals, 100% of the Target Performance Shares for the Performance Period shall become earned.

(f) Between Target and Maximum: If, upon the conclusion of the Performance Period, ROE exceeds the target level, but is less than the maximum level, as set forth in the Performance Matrix contained in the Statement of Performance Goals, the Target Performance Shares shall become earned based on performance during the Performance Period, as determined by mathematical straight-line interpolation between 100% of the Target Performance Shares and 200% of the Target Performance Shares.

(g) Equals or Exceeds Maximum: If, upon the conclusion of the Performance Period, ROE for the Performance Period equals or exceeds the maximum level, as set forth in the Performance Matrix contained in the Statement of Performance Goals, 200% of the Target Performance Shares shall become earned.

(h) Conditions; Determination of Earned Award: Except as otherwise provided herein, the Grantee's right to receive any Performance Shares is contingent upon his or her remaining in the continuous employ of the Company or a Subsidiary through the end of the Performance Period. Following the Performance Period, the Committee shall determine whether and to what extent the goals relating to ROE have been satisfied for the Performance Period and shall determine the percent of Target Performance Shares that shall have become earned hereunder.

(i) Determination Regarding ROE: All determinations involving ROE set forth in this Section 2 shall be the arithmetic average of the ROE for the Performance Period calculated by dividing the sum of the Company's ROE for each fiscal year in the Performance Period by the number of years in the Performance Period. ROE for each fiscal year in the Performance Period shall be calculated by dividing the Company's Net Income by the beginning Stockholders' Equity for that fiscal year, as determined from the Company's consolidated financial statements, net of extraordinary events which may affect the calculation, where such extraordinary events would generally be events that impact the Company's results or financial position in a manner that the Committee, in its discretion, determines produce results that are not indicative of the Company's ongoing operations, except where such action would result in the loss of the otherwise available exemption of the Performance Shares under Section 162(m) of the Internal Revenue Code. All determinations involving ROE set forth in this Section 2 shall be calculated based on U.S. Generally Accepted Accounting Principles in effect at the time ROE is established without regard to any change in accounting standards that may be required by the Financial Accounting Standards Board after the goals are established.

3. Pro Rata Earning of Target Performance Shares.

(a) Termination without Cause or Good Reason, Death, Disability or Retirement: Notwithstanding Section 2(h), if, during the Performance Period, but before the payment of any Performance Shares as set forth in Section 5, the Grantee's employment is terminated without "Cause" or with "Good Reason" (as each term is defined in the Grantee's Amended and Restated Employment Agreement with the Company, dated March 11, 2010, as may be amended from time to time (the "Employment Agreement")), the Grantee dies or in the event of his Disability (as such term is defined in the Employment Agreement) while in the employ of the Company or in the event of the retirement of the Grantee after having attained "normal retirement age" (as such term is defined in the Social Security Act of 1935, as amended, then the Grantee shall be entitled to receive such percent of the Target Performance Shares as is determined pursuant to Section 2 at the conclusion of the Performance Period as if the Grantee had remained in the continuous employ of the Company through the end of the Performance Period, based on the Company's ROE performance during the Performance Period, prorated, based on the number of whole months that Grantee was employed by the Company during the Performance Period.

(b) Change in Control: Notwithstanding Section 2(h), if, during the Performance Period, but before the payment of any Performance Shares as set forth in Section 5, a Change in Control occurs while Grantee is an employee of the Company, then the Grantee shall be entitled to receive the Target Performance Shares provided for under Section 2(e).

4. Forfeiture of Award. Except to the extent Grantee has earned the right to receive Performance Shares pursuant to Sections 2 or 3 hereof, Grantee's right to receive Performance Shares shall be forfeited automatically and without further notice on the date that Grantee ceases to be an employee of the Company or a Subsidiary prior to the last day of the Performance Period or, in the event that Section 3(b) applies, the date on which the Change in Control occurs.

5. Payment of Performance Shares.

(a) Performance Shares earned as provided in Section 2 or pursuant to Section 3(a) shall be paid to Grantee or his or her executor or administrator, as the case may be, in shares of Common Stock in the calendar year immediately following the close of the Performance Period to which the award relates, but in no event later than two and one-half (2 1/2) months after the close of the Performance Period.

(b) The Target Performance Shares earned pursuant to Section 3(b) shall be paid to Grantee in shares of Common Stock as soon as practicable following the Change in Control, but in no event later than two and one-half (2 1/2) months following the end of the year in which the Change in Control occurs.

6. Transferability. Transferability shall be as set forth in the Plan.

7. No Employment Contract. Nothing contained in this Agreement shall (a) confer upon Grantee any right to be employed by or remain employed by the Company, or (b) limit or

affect in any manner the right of the Company to terminate the employment of Grantee at any time.

8. Taxes and Withholding. To the extent that the Company is required to withhold any federal, state, local or foreign taxes in connection with the payment of any Performance Shares, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the payment of any Performance Shares that the Grantee shall pay such taxes or make arrangements that are satisfactory to the Company for the payment thereof. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the shares of Common Stock paid to the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Fair Market Value on the date of such delivery. In no event, however, shall the Company accept shares for payment of taxes in excess of required tax withholding rates.

9. Rights of a Stockholder. The Grantee shall not have any rights of a stockholder with respect to the Performance Shares prior to the date such shares are earned.

10. Payment of Dividends. No dividends shall be accrued or earned with respect to any Performance Shares until such Performance Shares are earned by the Grantee as provided in this Agreement.

11. Adjustments. Notwithstanding any other provision hereof, the Committee shall have authority to make adjustments in the terms and conditions of, and the criteria included in, Performance Shares granted hereunder, as set forth in the Plan.

12. Restrictive Covenants. If the Grantee engages in any conduct in breach of any noncompetition, nonsolicitation or confidentiality obligations to the Company under any agreement, policy or plan, then such conduct shall also be deemed to be a breach of the terms of the Plan and this Agreement. Upon such breach, Grantee's right to receive Performance Shares covered by this Agreement shall be forfeited automatically and without further notice and to the extent that the Grantee has received shares of Common Stock pursuant to Section 5 within a period of 18 months prior to such breach, the Grantee shall be required to return to the Company, upon demand, such shares or the net proceeds of any sales. For purposes of this Section 12, net proceeds shall mean the amount realized upon the disposition of the shares, less any applicable taxes withheld by the Company.

13. Recovery of Performance Shares. If (a) the Company restates any part of its financial statements for any fiscal year or years covered by the Performance Period due to material noncompliance with any financial reporting requirement under the U.S. securities laws applicable to such fiscal year or years (a "Restatement") and (b) the Committee determines that Grantee is personally responsible for causing the Restatement as a result of Grantee's personal misconduct or any fraudulent activity on the part of Grantee, then the Committee has discretion to, based on applicable facts and circumstances and subject to applicable law, cause the Company to recover all or any portion (but no more than 100%) of the shares of Common Stock paid or payable to Grantee for the Performance

Period. The amount of any cash or shares recovered by the Company under this Section 13 shall be limited to the amount by which such shares payment exceeded the amount that would have been paid to or received by Grantee had the Company's financial statements for the applicable restated fiscal year or years been initially filed as restated, as reasonably determined by the Committee.

14. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions that arise in connection with the grant of Target Performance Shares.

15. Miscellaneous. All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Agreement shall be binding, conclusive and final. The waiver by the Company of any provision of this Agreement shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of this Agreement. Grantee agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Agreement.

16. Capitalized Terms. All capitalized terms used in this Agreement that are not defined herein shall have the meanings given them in the Plan unless the context clearly requires otherwise.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and Grantee has executed this Agreement, as of the day and year first above written.

MYR GROUP INC.

By: ______________________________

Name: William A. Koertner
Title: Chairman of the Board

The undersigned Grantee hereby acknowledges receipt of an executed copy of this Agreement and accepts the right to receive any Performance Shares or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions herein above set forth.

____
Grantee

Date: ______________________________

Exhibit A

Performance Shares
Statement of Performance Goals Performance Matrix
Performance Period [   ] Through [   ]

Threshold ROE Performance	Target ROE Performance	Maximum ROE Performance
		%

Exhibit 10.4

MYR GROUP INC.

RESTRICTED STOCK AWARD AGREEMENT
(Independent Director)

This AGREEMENT (this “Agreement”) is made as of [ ] (the “Date of Grant”) by and between MYR Group Inc., a Delaware corporation (the “Company”), and [ ] (“Grantee”).

1. Grant of Restricted Stock. Pursuant to the MYR Group Inc. 2007 Long-Term Incentive Plan (the “Plan”) and subject to the terms and conditions thereof and the terms and conditions hereinafter set forth, the Company hereby grants to Grantee [ ]shares of Common Stock (the “Restricted Stock”).

2. Rights of Grantee. The shares of Restricted Stock subject to this grant shall be fully paid and nonassessable and shall be either (a) represented by certificates held in custody by the Company until all restrictions thereon have lapsed, together with a stock power or powers executed by the Grantee in whose name such certificates are registered, endorsed in blank and covering such shares of Restricted Stock, or (b) held at the Company’s transfer agent in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock, and endorsed with an appropriate legend referring to the restrictions hereinafter set forth. Grantee shall have all the rights of a stockholder with respect to such shares, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

3. Restrictions on Transfer of Shares of Restricted Stock. The shares of Restricted Stock may not be transferred, assigned or subject to any encumbrance, pledge or charge, until the shares of Restricted Stock have vested as provided in Sections 4 and 5 hereof; provided, however, that the Grantee’s rights with respect to the Restricted Shares may be transferred by will or pursuant to the laws of descent and distribution. Any purported transfer in violation of the provisions of this Section 3 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in the Restricted Shares.

4. Vesting of Restricted Shares. Subject to the terms and conditions of this Agreement and the Plan, the shares of Restricted Stock shall vest in accordance with the vesting schedule set forth on Exhibit A hereto provided the Grantee remains a member of the Board until the applicable vesting dates listed on Exhibit A.

5. Accelerated Vesting of Restricted Shares. Notwithstanding the provisions of Section 4 hereof, the shares of Restricted Stock covered by this Agreement shall become immediately vested in full if a Change in Control occurs while Grantee is a member of the Board.

6. Forfeiture of Shares. Except to the extent the shares of Restricted Stock covered by this Agreement have vested pursuant to Sections 4 or 5 hereof, Grantee’s right to receive the

shares of Restricted Stock covered by this Agreement shall be forfeited automatically and without further notice on the date that Grantee ceases to be a member of the Board prior to the third anniversary of the Date of Grant for any reason other than as described in Section 5.

7. No Employment Contract. Nothing contained in this Agreement shall (a) confer upon Grantee any right to be employed by or remain employed by the Company, or (b) limit or affect in any manner the right of the Company to terminate the employment of Grantee at any time.

8. Withholding Taxes. To the extent that the Company is required to withhold any federal, state, local or foreign taxes in connection with any delivery of shares of Restricted Stock to the Grantee, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such delivery that the Grantee shall pay such taxes or make arrangements that are satisfactory to the Company for payment thereof. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the shares of Restricted Stock delivered to the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Fair Market Value on the date of such delivery. In no event, however, shall the Company accept shares for payment of taxes in excess of required tax withholding rates.

9. Restrictive Covenants. If the Grantee engages in any conduct in breach of any noncompetition, nonsolicitation or confidentiality obligations to the Company under any agreement, policy or plan, then such conduct shall also be deemed to be a breach of the terms of the Plan and this Agreement. Upon such breach, Grantee's right to receive the shares of Restricted Stock covered by this Agreement shall be forfeited automatically and without further notice and, if and to the extent any shares of Restricted Stock covered by this Agreement have vested pursuant to Sections 4 or 5 within a period of 18 months prior to such breach, the Grantee shall be required to return to the Company, upon demand, such shares or the net proceeds of any sales. For purposes of this Section 9, net proceeds shall mean the amount realized upon the disposition of the shares, less any applicable taxes withheld by the Company.

10. Recovery of Restricted Stock. If (a) the Company restates any part of its financial statements for any fiscal year or years during which the shares of Restricted Stock covered by this Agreement have been granted due to material noncompliance with any financial reporting requirement under the U.S. securities laws applicable to such fiscal year or years (a "Restatement") and (b) the Committee determines that Grantee is personally responsible for causing the Restatement as a result of Grantee's personal misconduct or any fraudulent activity on the part of Grantee, then the Committee has discretion to, based on applicable facts and circumstances and subject to applicable law, cause the Grantee's right to receive the shares of Restricted Stock covered by this Agreement to be forfeited automatically and without further notice and, if and to the extent any shares of Restricted Stock covered by this Agreement have vested pursuant to Sections 4 or 5 within a period of 18 months prior to the Restatement, the Grantee shall be required to return to the Company, upon demand, such shares or the net proceeds of

any sales. For purposes of this Section 10, net proceeds shall mean the amount realized upon the disposition of the shares, less any applicable taxes withheld by the Company.

11. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions that arise in connection with the grant of shares of Restricted Stock.

12. Miscellaneous. All decisions or interpretations of the Committee with respect to any question arising under the Plan or this Agreement shall be binding, conclusive and final. The waiver by the Company of any provision of this Agreement shall not operate as or be construed to be a subsequent waiver of the same provision or of any other provision of this Agreement. Grantee agrees to execute such other agreements, documents or assignments as may be necessary or desirable to effect the purposes of this Agreement.

13. Capitalized Terms. All capitalized terms used in this Agreement that are not defined herein shall have the meanings given them in the Plan unless the context clearly requires otherwise.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, as of the day and year first above written.

MYR GROUP INC.

By: ______________________________

Name: William A. Koertner
Title: Chairman of the Board

The undersigned Grantee hereby acknowledges receipt of an executed copy of this Agreement and accepts the right to receive any shares of Restricted Stock or other securities covered hereby, subject to the terms and conditions of the Plan and the terms and conditions herein above set forth.

____
Grantee

Date: ______________________________

<u>Exhibit A</u>

Time Based Restricted Stock Vesting Schedule
Grant of Date [ ]

Date	Total Shares of Restricted Stock Vested
[ ]	
[ ]	
[ ]	

Exhibit 10.5

AMENDED AND RESTATED

EMPLOYMENT AGREEMENT
[Name]*

This **AMENDED AND RESTATED EMPLOYMENT AGREEMENT**, dated as of March 11, 2010 (this "**Agreement**"), is by and between MYR Group Inc., a Delaware corporation (the "**Company**"), and **[Name]***, (the "**Key Employee**").

W I T N E S S E T H:

WHEREAS, the Company has identified the Key Employee as an integral part of the Company's operation and management; and

WHEREAS, the Company recognizes the Key Employee's efforts and desires to reward those efforts to protect and enhance the best interests of the Company; and

WHEREAS, the Company and the Key Employee entered into an employment agreement dated as of December 1, 2007 (the "**Original Agreement**"); and

WHEREAS, the Original Agreement became effective December 20, 2007 (the "**Effective Date**"), which date was the date of closing of the offering and sale of equity securities by the Company pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (the "**Financing**"); and

WHEREAS, the Company and the Key Employee amended and restated the Original Agreement effective December 31, 2008 to obtain or preserve compliance with, or exemption from Section 409A of the Internal Revenue Code of 1986, as amended (the "**Amended Agreement**"); and

WHEREAS, the Company and the Key Employee desire to further amend and restate the Amended Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) **"Base Salary"** means the Key Employee's base salary as in effect from time to time, as described in Section 2.3(a).

(b) **"Board"** means the Board of Directors of the Company.

(c) **"Cause"** means:

(i) A material breach by the Key Employee of Sections 3.9(b), (c), (d), (e) or (f) of this Agreement (regarding the non-competition, non-solicitation and confidentiality provisions);

(ii) The commission of a criminal act by the Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction or plea of no contest or *nolo contendere* of the Key Employee for any felony or any misdemeanor that may result in a term of imprisonment greater than one (1) year; or

(iv) The Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of this Agreement which is not remedied within thirty (30) days after the Key Employee's receipt of written notice from the Company.

Notwithstanding the foregoing, the Key Employee shall not be deemed to have been terminated for Cause pursuant to this Section 1.1(c) unless and until there shall have been delivered to the Key Employee a copy of a resolution duly adopted by at least seventy-five percent (75%) of the entire membership of the Board (not including for this purpose the Key Employee if the Key Employee is then a member of the Board) at a meeting of the Board called and held for such purpose (after reasonable notice to the Key Employee and a reasonable opportunity for the Key Employee, together with the Key Employee's counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Key Employee engaged in conduct set forth in this Section 1.1(c).

(d) **"Change in Control"** means the occurrence of a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the Company's assets," as defined in Treasury Regulation §§1.409A-3(i)(5)(v), (vi) and (vii), respectively.

(e) **"COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended.

(f) **"Code"** means the Internal Revenue Code of 1986, as amended and any regulations thereunder.

(g) **"Disability"** means that, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, the Key Employee is unable to engage in any substantial gainful activity or is receiving income replacement benefits under an accident and health benefit plan covering employees of the Company for a period of not less than three months.

(h) **"Good Reason"** means:

(i) a reduction of the Key Employee's Base Salary and/or annual target bonus opportunity without the Key Employee's prior written consent;

(ii) the relocation of the Key Employee's primary work site to a location greater than fifty (50) miles from the Key Employee's work site as of the Effective Date; or

(iii) any other material breach by the Company of a material provision of this Agreement for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice.

Notwithstanding the foregoing, solely with respect to a termination of employment by the Key Employee during the Protection Period, in addition to clauses (i), (ii) and (iii), "Good Reason," shall also mean a material reduction of the Key Employee's duties (without the Key Employee's prior written consent) from those in effect as of the Effective Date or as subsequently agreed to by the Key Employee and the Company for which the Key Employee shall have given the Company written notice of such breach and the Company shall have failed to cure such breach within thirty (30) days after receipt of such notice.

(i) **"Post-Termination Period"** means the period beginning on the date that the Key Employee's employment terminates and ending on the first anniversary of such date.

(j) **"Protection Period"** means the period beginning on the date of the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(k) **"Severance Pay"** means

(i) two (2) times the sum of the Key Employee's annual Base Salary and Target Bonus as of the date of the Key Employee's termination of employment (without giving effect to any reduction that would otherwise constitute Good Reason), in the case of a termination Without Cause outside the Protection Period or a termination by the Key Employee with Good Reason outside the Protection Period; and

(ii) three (3) times the sum of the Key Employee's annual Base Salary and Target Bonus as of the date of the Key Employee's termination of employment, or if higher, the Key Employee's annual Base Salary and Target Bonus for the fiscal year immediately preceding the fiscal year in which there occurs a Change in Control, in the case of a termination Without Cause during the Protection Period or a termination by the Key Employee for Good Reason during the Protection Period.

(l) **"Severance Period"** means the two (2) year period following the date of the Key Employee's termination of employment, in the case of a termination Without Cause or a termination by the Key Employee for Good Reason, whether or not during the Protection Period.

(m) **"Without Cause"** means termination by the Company of the Key Employee's employment at the Company's sole discretion for any reason, other than by reason of the Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 **Interpretations.** In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 **Term.** The term of this Agreement shall be three (3) years commencing on the Effective Date of this Agreement (the "**Initial Term**"), provided, however, that this Agreement shall automatically be extended for an additional one-year period at the end of the Initial Term and each one-year anniversary thereafter (each a "**Renewal Term**" and together with the Initial Term being referred to herein as the "**Employment Term**"), unless not later than one-hundred eighty (180) days prior to the end of the then-current period, either the Key Employee or the Company shall have provided written notice to the other party that it does not wish to extend this Agreement; provided, further, that if there occurs a Change in Control during the Employment Term, the Employment Term shall automatically be extended for an additional one-year period (in addition to any then remaining Initial Term or a Renewal Term, as applicable).

2.2 **Position, Duties and Services.** The Key Employee shall serve in the position of **[title]** and shall have duties and responsibilities consistent with an executive serving in such capacity. The Key Employee shall perform such duties and responsibilities diligently and to the best of the Key Employee's abilities. The Key Employee's employment will be subject to the supervision and direction of the Chief Executive Officer of the Company and the Board.

2.3 **Compensation.**

(a) Base Salary. The Key Employee shall receive an initial Base Salary at the rate of **[ ]*** dollars **[($)]*** per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which Base Salary may be increased (but not decreased) by the Board or (a committee thereof) from time to time.

(b) Target Bonus. During the Employment Term, the Key Employee shall be eligible to receive an annual target bonus (the "**Target Bonus**") based on the achievement of annual performance objectives, as determined by the Board (or a committee thereof) in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Term, the Key Employee shall be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, the Key Employee and/or the Key Employee's family, as the case may be, shall be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. The Key Employee shall be entitled to receive the severance benefits described in ARTICLE III upon the Key Employee's termination of employment during the Employment Term, provided the Key Employee satisfies the requirements outlined in ARTICLE III.

2.5 Indemnification. The Company shall (i) indemnify, hold harmless and defend the Key Employee to the extent permitted under applicable law from and against reasonable costs, including reasonable attorney's fees, incurred by the Key Employee in connection with or arising out of any acts or decisions made by the Key Employee in the course and scope of the Key Employee's employment hereunder and (ii) pay all reasonable expenses and reasonable attorney's fees actually incurred by the Key Employee in connection with or relating to the defense of any claim, action, suit or proceeding by any third party against the Key Employee arising out of or relating to any acts or decisions made by the Key Employee in the course and scope of the Key Employee's employment hereunder; provided, however, that such indemnification shall not apply with respect to the commission of a criminal act or any gross misconduct by the Key Employee. This Section 2.5 shall survive the termination or expiration of this Agreement.

ARTICLE III
EARLY TERMINATION

3.1 Death. Upon the death of the Key Employee during the Employment Term, this Agreement shall terminate and the Key Employee's estate shall be entitled to payment of the Key Employee's Base Salary through the date of such termination plus any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant. Payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's death.

3.2 Disability. In the event of the Key Employee's Disability during the Employment Term, this Agreement and the Key Employee's employment with the Company shall terminate and the Key Employee shall be entitled to payment of the following benefits: (a) the Key Employee's Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which the Key Employee is a participant; and (c) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant. Subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program.

3.3 Termination for Cause by Company. If the Key Employee's employment is terminated during the Employment Term for Cause, the Company shall pay the Key Employee through the date of termination (a) the Key Employee's Base Salary in effect at the time notice of termination is given at the applicable payment date under the Company's regular and customary payroll practices and (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant.

3.4 Termination Without Good Reason by the Key Employee. If the Key Employee terminates the Key Employee's employment with the Company during the Employment Term without Good Reason, whether or not during the Protection Period, the Company shall pay the Key Employee through the date of termination (a) the Key Employee's Base Salary in effect at the time notice of termination is given at the applicable payment date under the Company's regular and customary payroll practices and (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant.

3.5 Termination Without Cause or for Good Reason Outside the Protection Period. If, during the Employment Term and outside the Protection Period, the Key Employee's employment is terminated by the Company Without Cause or the Key Employee terminates the Key Employee's employment with the Company for Good Reason, the Key Employee shall be entitled to (a) the Key Employee's unpaid Base Salary through the date of termination; (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant in accordance with the terms and conditions of such compensation and benefit plans; (c) a lump sum payment equal to the Key Employee's Severance Pay; and (d) during the Severance Period, Company-paid benefit continuation coverage, on an insured or uninsured basis as determined by the Company in its sole discretion, concurrent with COBRA, for the Key Employee and the Key Employee's family under the welfare benefit plans specified in Section 2.3(d) in which the Key Employee is a participant, on the same basis as such benefits are provided to active employees. Unless otherwise indicated in this Agreement and subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program. Notwithstanding anything to the contrary herein, if the Key Employee becomes reemployed by another employer during the Severance Period and such subsequent employer provides or makes available to the Key Employee benefits that are comparable in the aggregate to the Company-paid benefit continuation coverage described herein, the Key Employee shall provide written notice of such re-employment and eligibility for comparable benefits to the Company within thirty (30) days of the commencement of such new employment and eligibility for comparable benefits, at which time the Company-paid benefit continuation coverage described herein shall be terminated. Subject to Section 3.8, Section 3.11 and Section 3.12(a), the payment of any Severance Pay and the continuation of welfare benefit plan coverage, as provided in Section 2.3(d), shall be made (or commence) in the month immediately following the month in which the waiver and release of claims described in Section 3.8 becomes non-revocable.

3.6 Termination Without Cause or for Good Reason During the Protection Period. If, during the Employment Term and during the Protection Period, the Key Employee's employment is terminated by the Company Without Cause or the Key Employee terminates the Key Employee's employment with the Company for Good Reason, the Key Employee shall be entitled to (a) the Key Employee's unpaid Base Salary through the date of termination; (b) any compensation and benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant in accordance with the terms and conditions of such compensation and benefit plans; (c) a lump sum payment equal to the Key Employee's Severance Pay; and (d) during the Severance Period, Company-paid benefit continuation coverage, on an insured or uninsured basis as determined by the Company in its sole discretion, concurrent with COBRA, for the Key Employee and the Key Employee's family under the welfare benefit plans specified in Section 2.3(d) in which the Key Employee is a participant, on the same basis as such benefits are provided to active employees. Unless otherwise indicated in this Agreement and subject to Section 3.12(a), the payment of Base Salary through the date of termination and the payment of any other cash compensation to which the Key Employee is entitled under this Agreement that is not exempt from Code Section 409A shall be made in a lump sum payment as soon as administratively reasonable but not later than ninety (90) days following the date of the Key Employee's termination. Subject to Section 3.12(a) and Section 3.12(b), reimbursements or in-kind benefits to which the Key Employee is entitled that are not exempt from Code Section 409A shall be paid as soon as administratively reasonable following the date of payments as set forth in this Agreement, or the applicable plan, practice, policy or program. Notwithstanding anything to the contrary herein, if the Key Employee becomes reemployed by another employer during the Severance Period and such subsequent employer provides or makes available to the Key Employee benefits that are comparable in the aggregate to the Company-paid benefit continuation coverage described herein, the Key Employee shall provide written notice of such re-employment and eligibility for comparable benefits to the Company within thirty (30) days of the commencement of such new employment and eligibility for comparable benefits, at which time the Company-paid benefit continuation coverage described herein shall be terminated. Subject to Section 3.8, Section 3.11 and Section 3.12(a),the payment of any Severance Pay and the continuation of welfare benefit plan coverage, as provided in Section 2.3(d), shall be made (or commence) in the month following the month in which the waiver and release of claims described in Section 3.8 becomes non-revocable. In the event of the Key Employee's termination under this Section 3.6, the Key Employee shall not be bound by the provisions of Section 3.9(b).

3.7 Termination of Company's Obligations. Upon termination of the Key Employee's employment for any reason, the Company's obligations under this Agreement shall terminate and the Key Employee shall be entitled to no compensation and benefits other than that provided in this ARTICLE III and Section 2.5. Notwithstanding such termination, the parties' obligations under Sections 2.5 and 3.9 of this Agreement shall remain in full force and effect.

3.8 **Release.** Notwithstanding the foregoing provisions of this ARTICLE III, the Key Employee shall be entitled to the additional benefits specified in Section 3.5 (regarding termination Without Cause or for Good Reason outside the Protection Period) and Section 3.6 (regarding termination Without Cause or for Good Reason during the Protection Period) (i.e., those in addition to the payment of the Key Employee's Base Salary through the date of termination and any benefits payable pursuant to the terms of the compensation and benefit plans specified in Section 2.3 in which the Key Employee is a participant), only upon the Key Employee's execution (and non-revocation) and delivery to the Company of a waiver and release of all claims substantially in the form attached hereto, which execution (and non-revocation) and delivery must occur before the forty-fifth (45th) day immediately following the date of termination**.** The Company shall have no obligations under Section 3.5 and Section 3.6, as applicable, if the Key Employee fails to deliver (and not revoke) the executed waiver and release of claims to the Company within the specified period of time. Notwithstanding the foregoing, if the Company does not deliver the form of release to the Key Employee within three (3) business days following the date of termination, then any requirement for the Key Employee to execute (and not revoke) and deliver the release as a condition of receiving any payments under Section 3.5 and Section 3.6, as applicable, will have no effect, and the Key Employee will be entitled to receive any payments to which the Key Employee otherwise qualifies under Section 3.5 and Section 3.6, as applicable.

3.9 **Non-Competition; Non-Solicitation; Confidentiality.**

(a) The Key Employee acknowledges and agrees that: (i) the Company is engaged in the business of power line and commercial/industrial electrical construction services for electric utilities, telecommunication providers, commercial/industrial facilities, and government agencies and electrical construction and maintenance services for industrial and power generation clients (the "**Business**"); (ii) the Business is intensely competitive; (iii) the Key Employee's customer relationships are near permanent and but for the Key Employee's association with the Company, the Key Employee would not have had contact with the customers; (iv) the Key Employee will continue to develop and have access to and knowledge of non-public information of the Company and its clients; (v) the direct or indirect disclosure of any such confidential information to existing or potential competitors of the Company would place the Company at a competitive disadvantage and would do damage to the Company; (vi) the Key Employee has developed goodwill with the Company's clients at the substantial expense of the Company; (vii) but for the Key Employee entering into the covenants set forth in this Section 3.9, the Company would not have entered into the Financing and the closing of the offering and sale of equity securities by the Company as set forth above; (viii) the Key Employee engaging in any of the activities prohibited by this Section 3.9, would constitute improper appropriation and/or use of the Company's confidential information and/or goodwill; (ix) the Key Employee's association with the Company has been critical, and the Key Employee's association with the Company is expected to continue to be critical, to the success of the Company; (x) the services to be rendered by the Key Employee to the Company are of a special and unique character; (xi) Company conducts the Business throughout the United States; (xii) the noncompetition and other restrictive covenants and agreements set forth in this Agreement are fair and reasonable and it would not be reasonable to enter into the Financing without obtaining such non-competition and other restrictive covenants and agreements; and (xiii) in light of the foregoing and of the Key Employee's education, skills, abilities and financial resources, the Key Employee acknowledges and agrees that the Key Employee will not assert, and it should not be considered, that enforcement of any of the covenants set forth in this Section 3.9 would prevent the Key Employee from earning a living or otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(b) Agreement not to Compete. The Key Employee will not, during the Key Employee's employment and the Post-Termination Period, directly or indirectly, carry on or conduct, the Business or any business of the nature in which the Company or its subsidiaries are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or any new line of business with respect to which the Key Employee has created, received or had access to confidential information (as set forth below). The Key Employee agrees that the Key Employee will not so conduct or engage in the Business or any such business in any capacity, including as an individual on the Key Employee's own account or as a partner or joint venturer or as an employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation, provided, that the Key Employee may be a shareholder in any public corporation if the Key Employee does not own ten percent (10%) or more of any class of its stock.

(c) Confidential Information. The Key Employee will not, directly or indirectly, during the Key Employee's employment and at any time following termination of the Key Employee's employment with the Company for any reason, reveal, divulge or make known to any person or entity, or use for the Key Employee's personal benefit (including for the purpose of soliciting business, whether or not competitive with any business of the Company or its subsidiaries or affiliates), any information acquired during the Employment Term with regard to the financial, business or other affairs of the Company or its subsidiaries or affiliates (including any list or record of persons or entities with which the Company or its subsidiaries or affiliates has any dealings), other than (i) for purposes of performing the Key Employee's duties and responsibilities pursuant to this Agreement; (ii) information already in the public domain; or (iii) information that the Key Employee is required to disclose under the following circumstances: (A) at the direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for the Key Employee, to be disclosed by the Key Employee in connection with any legal action or proceeding involving the Key Employee in the Key Employee's capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company.

(d) The Key Employee will, upon the earlier of (i) any time requested by the Company or (ii) termination of the Key Employee's employment with the Company for any reason, promptly deliver to the Company all documents, memoranda, notes, reports, lists, files, customer lists, mailing lists, software, disks, credit cards, door and file keys, computer access codes, instructional manuals, and other physical or personal property which the Key Employee received or prepared or helped to prepare in connection with the Key Employee's relationship

with the Company including, but not limited to, any confidential information (as set forth above) of the Company or any of its subsidiaries and affiliates which the Key Employee may then possess or have under the Key Employee's control, and the Key Employee shall not retain any copies, duplicates, reproductions or excerpts thereof.

(e) Agreement not to Solicit. During the Employment Term and for the Post-Termination Period, the Key Employee shall not (except on behalf of or with the written consent of the Company), either directly or indirectly, on the Key Employee's own behalf or in the service or on behalf of others, (i) solicit, divert, or appropriate, or (ii) attempt to solicit, divert, or appropriate, any person or entity that is or was a customer of the Company or any of its affiliates at any time during the twelve (12) months prior to the date of the Key Employee's termination and with whom the Key Employee has had material contact.

(f) Agreement not to Recruit. During the Employment Term and for the Post-Termination Period, the Key Employee shall not, either directly or indirectly, on the Key Employee's behalf or in the service or on behalf of others, (i) solicit, divert, or hire away, or (ii) attempt to solicit, divert, or hire away, any employee of or consultant to the Company or its subsidiaries or affiliates.

(g) Reasonableness of Restrictions. The Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.9 are reasonable in nature and are no broader than are necessary to maintain the goodwill of the Company and the confidentiality of its confidential information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause the Key Employee any undue hardship nor unreasonably interfere with the Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.9 is invalid or unenforceable, the remainder of this Section 3.9 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.9, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall reduce the duration or scope of such provision and enforce such provision as so reduced.

(h) Enforcement. Upon the Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a "**Successor Employer**") during the period that the provisions of this Section 3.9 remain in effect, the Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within thirty (30) days thereof. The Key Employee agrees that in the event of a breach or threatened breach of the terms and conditions of this Section 3.9 by the Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against the Key Employee, to obtain damages for any such breach, or to enjoin (in the form of specific performance, temporary restraining order, temporary or permanent injunction or otherwise) the Key Employee from any conduct in violation of this Section 3.9, without having to post a bond.

3.10 Parachute Payments. Notwithstanding anything to the contrary in this Agreement, if it is determined (as hereafter provided) that any payment or distribution to or for the Key Employee's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "**Payment**"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the "**Excise Tax**"), then the Key Employee shall be entitled to receive an additional payment or payments (a "**Gross-Up Payment**") in an amount such that, after payment by the Key Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Key Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. For purposes of determining whether any of the Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) all of the Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and reasonably acceptable to the Key Employee such other payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of section 280G(b)(4)(A) of the Code, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as such term is defined in section 280G(b)(3) of the Code) allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, (ii) the amount of the Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Payments or (B) the amount of excess parachute payments within the meaning of section 280G(b)(1) of the Code (after applying clause (i), above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Key Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Key Employee's residence on the date of termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of the Key Employee's termination of employment, the Key Employee shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus that portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income tax imposed on the Gross-Up Payment being repaid by the Key Employee to the extent that such repayment results in a reduction in Excise Tax and/or a federal, state or local income tax deduction) plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by Key Employee with respect to such excess) at the time that the amount of such excess is finally determined. The Key Employee and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Severance Payments. Notwithstanding anything in this Agreement to the contrary, in no event shall payments under this Section be made later than the end of the Key Employee's taxable year following the taxable year in which the related Excise Tax is remitted by or on behalf of the Key Employee. The Company's obligation to make Gross-Up Payments under this Section 3.10 is not conditioned upon the Key Employee's termination of employment.

3.11 Benefit Coverage under Health Benefit Plans.

(a) If providing health benefit coverages through a welfare benefit plan as required by Section 3.4 or Section 3.6 would cause the plan to violate section 105(h) of the Code, then the Company shall provide the coverage through the Company's welfare benefit plan on an after-tax basis.

(b) In the event the Company provides the coverage to the Key Employee on an after-tax basis, then the Key Employee shall be entitled to receive an additional payment or payments (a "**Health Plan Gross-Up Payment**") in an amount such that, after payment by the Key Employee of all after-tax amounts paid by the Key Employee (if any) and all taxes (including any interest or penalties imposed with respect to such taxes) resulting from such after-tax treatment, the Key Employee is in the same position in respect of such coverages as though such coverages were provided as required by Section 3.5 or Section 3.6. For purposes of determining the amount of the Health Plan Gross-Up Payment, the Key Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Health Care Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Key Employee's residence on the date of termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Notwithstanding anything in this Agreement to the contrary, in no event shall payments under this Section be made later than the end of the Key Employee's taxable year following the taxable year in which the related taxes are remitted by or on behalf of the Key Employee.

3.12 Payments Subject to Section 409A of the Code.

(a) Notwithstanding the foregoing provisions of this ARTICLE III, to the extent required by Section 409A of the Code and applicable guidance thereunder, payments that the Key Employee would otherwise be entitled to receive hereunder during the first six months following the date of the Key Employee's termination of employment will be accumulated and paid on the date that is six months and one day after the date of the Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid without adverse tax consequences to the Key Employee under Section 409A of the Code; provided, however, that no such delay shall apply with respect to payments to which the Key Employee is entitled in the event of the Key Employee's death.

(b) Any reimbursement of expenses or in-kind benefits provided under this Agreement, that is subject to and not exempt from Section 409A of the Code, shall be subject to the following additional rules: (i) any reimbursement of eligible expenses shall be paid as they are incurred (but not prior to the end of the six-month delay period set forth in Section 3.12(a)); provided that the Key Employee first provides documentation thereof in reasonable detail not later than sixty (60) days following the end of the calendar year in which the eligible expenses were incurred; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, during any other calendar year; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(c) For purposes of determining the Key Employee's entitlement to payment of any cash or other remuneration which is deferred compensation under Section 409A of the Code, any provision of this Agreement providing for payment of any such cash or remuneration upon "termination," "termination of employment" or other event which is a termination of an employment relationship with the Company means that such payment is to be made upon a "Separation from Service" (as such term is defined in Treasury regulations issued under Code Section 409A), with the Company and all of its subsidiaries and affiliates, for any reason, including without limitation, quit, discharge and retirement, and the Company and the Key Employee reasonably anticipate that no further services will be performed after such date or that the level of bona fide services performed after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services if the Key Employee has been providing services for less than 36 months).

(d) It is intended that the payments and benefits provided under this Agreement shall either be exempt from application of, or comply with, the requirements of Section 409A of the Code. This Agreement shall be construed, administered, and governed in a manner that affects such intent, and the Company shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the payments and benefits provided under this Agreement may not be deferred, accelerated, extended, paid out, or modified in a manner that would result in the imposition of an additional tax under Section 409A of the Code. Although the Company shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of the benefits provided under this Plan is not warranted or guaranteed. The Company shall not be held liable for any taxes, interest, penalties, or other monetary amounts owed by the Key Employee or other taxpayers as a result of this Agreement.

ARTICLE IV
MISCELLANEOUS

4.1 **Governing Law.** This Agreement is governed by and will be construed in accordance with the laws of the State of Illinois, without regard to the conflicts of law principles of such State.

4.2 **Amendment and Waiver.** The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and the Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 **Severability.** Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 **Entire Agreement.** Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 **Withholding of Taxes and Other Employee Deductions.** The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 **Legal Fees.** The Company shall reimburse the Key Employee for all reasonable legal fees and expenses incurred by the Key Employee in a dispute regarding the Key Employee's rights under this Agreement, within forty-five (45) day of when such fees and expenses are incurred, but in no event later than the end of the taxable year in which such fees and expenses are incurred, unless a court of competent jurisdiction determines the Key Employee's position in such dispute not to be bona fide.

4.7 **Headings.** The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.8 **Actions by the Board.** Any and all determinations or other actions required of the Board (or a committee thereof) hereunder that relate specifically to the Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board or such committee other than the Key Employee (if the Key Employee is a member of the Board or such committee), and the Key Employee will not have any right to vote or decide upon any such matter.

4.9 **Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

INTENDING TO BE BOUND, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

MYR GROUP INC.

By: ______________________________
Name: Larry F. Altenbaumer
Title: Chairman Compensation Committee

KEY EMPLOYEE:

____

Name*

* Entered into between the Company and the following executive officers:

Name	Annual Salary
William A. Koertner	$ 500,000
Marco A. Martinez	$ 255,000
William H. Green	$ 310,000
Gerald B. Engen, Jr.	$ 275,000
John A. Fluss	$ 245,000
Richard S. Swartz, Jr.	$ 275,000

[FORM OF RELEASE]

Exhibit 31.1

CERTIFICATIONS

Certification of Principal Executive Officer

I, William A. Koertner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MYR Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 10, 2010	/s/ WILLIAM A. KOERTNER
	(Principal Executive Officer) Chief Executive Officer and President

Exhibit 31.2

CERTIFICATIONS

Certification of Principal Financial Officer

I, Marco A. Martinez , certify that:

1. I have reviewed this quarterly report on Form 10-Q of MYR Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and the internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 10, 2010

/s/ MARCO A. MARTINEZ

(Principal Financial Officer)
Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

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

In connection with the Quarterly Report of MYR Group Inc. (the "Company") on Form 10-Q for the period ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William A. Koertner, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

May 10, 2010

/s/ WILLIAM A. KOERTNER

Chief Executive Officer and President

Exhibit 32.2

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

In connection with the Quarterly Report of MYR Group Inc. (the "Company") on Form 10-Q for the period ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marco A. Martinez, Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

May 10, 2010

/s/ MARCO A. MARTINEZ

Vice President, Chief Financial Officer and Treasurer