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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 September 30, 2007**

Commission File Number 001-08106

MASTEC, INC.

(Exact name of registrant as specified in Its charter)

Florida	65-0829355
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
800 S. Douglas Road, 12th Floor, Coral Gables, FL	33134
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (305) 599-1800

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

Indicate by check mark whether the registrant is a large accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

☒ Large accelerated filer o Accelerated filer o Non-accelerated filer

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

As of November 2, 2007, MasTec, Inc. had 66,846,105 shares of common stock, $0.10 par value, outstanding.

MASTEC, INC.
FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MASTEC, INC.
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenue	$ 266,864	$ 252,236	$ 764,144	$ 700,360
Costs of revenue, excluding depreciation	230,867	213,293	655,215	600,748
Depreciation	4,283	3,668	12,145	10,638
General and administrative expenses, including non-cash stock compensation expense of $1,099 and $4,566, respectively, in 2007 and $2,169 and $5,392, respectively, in 2006	55,865	20,892	95,347	54,017
Interest expense, net of interest income	2,220	2,180	7,136	8,037
Other income, net	228	3,097	4,284	4,991
Income (loss) from continuing operations before minority interest	(26,143)	15,300	(1,415)	31,911
Minority interest	(597)	(986)	(2,249)	(1,180)
Income (loss) from continuing operations	(26,740)	14,314	(3,664)	30,731
Loss from discontinued operations	(5,416)	(21,936)	(10,922)	(66,234)
Net loss	$ (32,156)	$ (7,622)	$ (14,586)	$ (35,503)
Basic net income (loss) per share:				
Continuing operations	$ (0.40)	$ 0.22	$ (0.06)	$ 0.49
Discontinued operations	(0.08)	(0.34)	(0.17)	(1.05)
Total basic net loss per share	$ (0.48)	$ (0.12)	$ (0.22)	$ (0.56)
Basic weighted average common shares outstanding	66,408	65,024	65,892	63,022
Diluted net income (loss) per share:				
Continuing operations	$ (0.40)	$ 0.22	$ (0.06)	$ 0.48
Discontinued operations	(0.08)	(0.33)	(0.17)	(1.03)
Total diluted net loss per share	$ (0.48)	$ (0.12)	$ (0.22)	$ (0.55)
Diluted weighted average common shares outstanding	66,408	66,243	65,892	64,578

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

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MASTEC, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	September 30, 2007 (Unaudited)	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents, including restricted cash of $18,050 in 2007 and $18,000 in 2006	$ 133,093	$ 87,993
Accounts receivable, unbilled revenue and retainage, net	172,157	163,608
Inventories	27,669	28,832
Income tax refund receivable	131	135
Prepaid expenses and other current assets	52,047	38,752
Current assets held for sale	—	20,600
Total current assets	385,097	339,920
Property and equipment, net	73,513	61,212
Goodwill and other intangibles	184,318	151,600
Deferred taxes, net	38,835	49,317
Other assets	25,208	43,405
Long-term assets held for sale	—	659
Total assets	$ 706,971	$ 646,113
Liabilities and Shareholders’ Equity		
Current liabilities:		
Current maturities of debt	$ 2,811	$ 1,769
Accounts payable and accrued expenses	114,286	101,210
Other current liabilities	92,339	47,266
Current liabilities related to assets held for sale	—	25,633
Total current liabilities	209,436	175,878
Other liabilities	30,580	36,521
Long-term debt	160,769	128,407
Long-term liabilities related to assets held for sale	—	596
Total liabilities	400,785	341,402
Commitments and contingencies		
Shareholders’ equity:		
Preferred stock, $1.00 par value; authorized shares — 5,000,000; issued and outstanding shares — none	—	—
Common stock, $0.10 par value; authorized shares — 100,000,000; issued and outstanding shares — 66,602,742 and 65,182,437 shares in 2007 and 2006, respectively	6,660	6,518
Capital surplus	546,636	530,179
Accumulated deficit	(246,834)	(232,248)
Accumulated other comprehensive (loss) income	(276)	262
Total shareholders’ equity	306,186	304,711
Total liabilities and shareholders’ equity	$ 706,971	$ 646,113

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

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MASTEC, INC.
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Nine Months Ended September 30, 2007	2006
Cash flows from operating activities:		
Net loss	$ (14,586)	$ (35,503)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	12,713	11,463
Impairment of goodwill and assets	328	34,516
Non-cash stock and restricted stock compensation expense	4,566	5,649
Gain on sale of fixed assets	(3,696)	(1,422)
Write down of fixed assets	—	144
Provision for doubtful accounts	17,452	7,267
Provision for inventory obsolescence	—	302
Income from equity investment	(119)	(3,581)
Accrued losses on construction projects	—	5,566
Minority interest	2,249	1,180
Changes in assets and liabilities, net of assets acquired:		
Accounts receivable, unbilled revenue and retainage, net	(12,459)	(11,787)
Inventories	6,504	3,262
Income tax refund receivable	4	1,159
Other assets, current and non-current portion	6,080	7,435
Accounts payable and accrued expenses	4,055	4,925
Other liabilities, current and non-current portion	21,015	(6,486)
Net cash provided by operating activities	44,106	24,089
Cash flows used in investing activities:		
Cash paid for acquisitions, net of cash acquired and cash sold	(12,563)	(19,356)
Capital expenditures	(20,534)	(16,188)
Investments in unconsolidated companies	(1,025)	(3,755)
Investments in life insurance policies	(689)	(1,043)
Payments received from sub-leases	—	333
Net proceeds from sale of assets	3,822	3,121
Net cash used in investing activities	(30,989)	(36,888)
Cash flows provided by financing activities:		
Proceeds from issuance of common stock, net	—	156,465
Proceeds from the issuance of senior notes	150,000	—
Payments of other borrowings, net	(1,491)	(4,017)
Payments of capital lease obligations	(1,442)	(563)
Payments of senior subordinated notes	(121,000)	(75,000)
Proceeds from issuance of common stock pursuant to stock option exercises	8,971	3,921
Payments of financing costs	(4,117)	(116)
Net cash provided by financing activities	30,921	80,690
Net increase in cash and cash equivalents	44,038	67,891
Net effect of currency translation on cash	9	47
Cash and cash equivalents — beginning of period	89,046	2,024
Cash and cash equivalents — end of period	$ 133,093	$ 69,962
Cash paid during the period for:		
Interest	$ 12,824	$ 13,873
Income taxes	$ 264	$ 217
Supplemental disclosure of non-cash information:		
Equipment acquired under capital lease	$ 5,895	$ 7,665
Auction receivable	$ 237	$ 570
Investment in unconsolidated companies	$ —	$ 925
Accruals for inventory at quarter-end	$ 13,981	$ 13,364

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

MasTec, Inc.
Notes to the Condensed Unaudited Consolidated Financial Statements

Note 1 — Nature of the Business

MasTec, Inc. (collectively, with its subsidiaries, "MasTec", "we," "us," "our" or the "Company") is a leading specialty contractor operating mainly throughout the United States and across a range of industries. Our core activities are the building, installation, maintenance and upgrade of communications and utility infrastructure. Our primary customers are in the following industries: communications (including satellite television and cable television), utilities and government. MasTec provides similar infrastructure services across the industries it serves. Customers rely on us to build and maintain infrastructure and networks that are critical to their delivery of voice, video and data communications, electricity and other energy resources.

Note 2 — Basis for Presentation

The accompanying condensed unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, these financial statements do not include all information and notes required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2006. In our opinion, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented have been included.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Key estimates for us include the recognition of revenue for costs and estimated earnings in excess of billings, allowance for doubtful accounts, accrued self-insured claims, the fair value of goodwill and intangible assets, asset lives used in computing depreciation and amortization, including amortization of intangibles, and accounting for income taxes, contingencies and litigation. While we believe that such estimates are fair when considered in conjunction with the consolidated financial position and results of operations taken as a whole, actual results could differ from those estimates and such differences may be material to the financial statements.

Note 3 — Significant Accounting Policies

(a) Principles of Consolidation

The accompanying financial statements include MasTec, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. As discussed in Note 4, in the first quarter of 2007, we began consolidating the financial statements of an entity in which we acquired majority ownership effective February 1, 2007.

On July 18, 2007, we acquired an additional 5% ownership interest in GlobeTec Construction, LLC ("GlobeTec") for $0.4 million in cash. On August 1, 2007, we acquired an additional 8% ownership interest in GlobeTec for $1.0 million in cash. In addition to the cash payments, we have agreed to pay the sellers an earn-out based on future performance of GlobeTec. As a result of these investments, our ownership interest in GlobeTec increased from 51% to 64% during the quarter ended September 30, 2007.

(b) Comprehensive Income (Loss)

Comprehensive income (loss) is a measure of net income (loss) and all other changes in equity that result from transactions other than with shareholders. Comprehensive income (loss) consists of net income (loss) and foreign currency translation adjustments.

Comprehensive loss consisted of the following (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Net loss	$ (32,156)	$ (7,622)	$ (14,586)	$ (35,503)
Foreign currency translation gain (loss)	(1)	(5)	(10)	53
Comprehensive loss	$ (32,157)	$ (7,627)	$ (14,596)	$ (35,450)

MasTec, Inc.
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(c) Basic and Diluted Net Income (Loss) Per Share

The computation of basic net income (loss) per share is based on the weighted average number of common shares outstanding during the period. The computation of diluted net income (loss) per common share is based on the weighted average of common shares outstanding during the period plus, when their effect is dilutive, incremental shares consisting of shares subject to stock options and unvested restricted stock ("common stock equivalents"). For the three and nine months ended September 30, 2007, diluted net loss per common share excludes the effect of common stock equivalents in the amount of approximately 1,774,000 shares and 1,544,000 shares, respectively, since their effect is considered anti-dilutive. For the three and nine months ended September 30, 2006, diluted net income (loss) per common share includes the effect of approximately 1,219,000 shares and 1,556,000 shares, respectively, of common stock equivalents.

Earnings per share amounts for continuing operations, discontinued operations and net income, as presented on the consolidated statements of operations, are calculated individually and may not sum due to rounding differences.

(d) Valuation of Goodwill and Intangible Assets

In accordance with Statement of Financial Accounting Standards No. 142, "*Goodwill and Other Intangible Assets*" ("SFAS 142"), we conduct, on at least an annual basis, a review of our reporting entities to determine whether the carrying values of goodwill exceed the fair market value using a discounted cash flow methodology for each entity. Should this be the case, the value of its goodwill may be impaired and written down. Goodwill acquired in a purchase business combination and determined to have an infinite useful life is not amortized, but instead tested for impairment at least annually in accordance with provisions of SFAS No. 142.

As discussed in Note 7, we wrote-off approximately $0.4 million in goodwill in connection with our decision to sell our Canadian operations during the nine month period ended September 30, 2007.

During the nine months ended September 30, 2007, we recorded approximately $32.7 million of goodwill and other intangible assets in connection with acquisitions we have made. Included in this amount is approximately $6.2 million recorded for earn-out obligations in connection with acquisitions we have made.

In addition, during the nine months ended September 30, 2007, we recorded approximately $0.5 million of goodwill in connection with the acquisition of additional ownership interest in GlobeTec. See Note 3(a).

(e) Accrued Insurance

MasTec maintains insurance policies subject to per claim deductibles of $1 million for its workers' compensation policy, $2 million for its general liability policy and $3 million for its automobile liability policy. We have excess umbrella coverage for losses in excess of the primary coverages of up to $100 million per claim and in the aggregate. These insurance liabilities are actuarially determined on a quarterly basis for unpaid claims and associated expenses, including the ultimate liability for claims incurred and an estimate of claims incurred but not reported. During the three month period ended June 30, 2007, we changed the discount factor used in estimating the actuarial insurance reserve for our workers' compensation, general liability and auto liability policies from a spot rate of 5.2% applied to all future expected cash outflows, to the Citigroup Pension Discount Curve, which was developed to improve the matching of discount rates across multiple periods with projected future cash outflows in those periods. The curve is derived from U.S. Treasury rates, plus an option-adjusted spread varying by maturity to better reflect the settlement rate used to discount estimated future cash payments. We also maintain an insurance policy with respect to employee group health claims subject to per claim deductibles of $300,000 after satisfying an aggregate annual deductible of $100,000. The accruals are based upon known facts, historical trends and a reasonable estimate of future expenses. However, a change in experience or actuarial assumptions could nonetheless materially affect results of operations in a particular period. Known amounts for claims that are in the process of being settled, but have been paid in periods subsequent to those being reported, are also recorded in such reporting period.

MasTec, Inc.
Notes to the Condensed Unaudited Consolidated Financial Statements

(f) Stock Based Compensation

We have granted to employees and others restricted stock and options to purchase our common stock. Total non-cash stock compensation expense for the three months ended September 30, 2007 and 2006 was $1.1 million and $2.2 million, respectively, which is included in general and administrative expense in the condensed unaudited consolidated statements of operations. Total non-cash stock compensation expense for the nine months ended September 30, 2007 and 2006 was $4.6 million and $5.6 million, respectively, of which $0 and $0.2 million, respectively, was included in loss from discontinued operations, and $4.6 million and $5.4 million, respectively, is included in general and administrative expense in the condensed unaudited consolidated statements of operations.

Non-cash compensation expense related to stock options amounted to approximately $0.8 million and $1.8 million, respectively, during the three months ended September 30, 2007 and 2006, which is included in general and administrative expense in the condensed unaudited consolidated statements of operations. There were no options granted during the three months ended September 30, 2007. During the three months ended September 30, 2006, we granted to certain employees, directors and executives the right to purchase 265,000 shares of MasTec's common stock at the current market price per share at the time of the option grant. The options granted during the three months ended September 30, 2006 had a weighted average exercise price of $12.25 per share. The weighted average fair value of options granted during the three month period ended September 30, 2006 was $8.03 per share.

Non-cash compensation expense related to stock options amounted to approximately $3.3 million and $4.7 million, respectively, during the nine months ended September 30, 2007 and 2006, of which $0.2 million for 2006 is included in loss from discontinued operations, and $3.3 million and $4.5 million, respectively, is included in general and administrative expense in the condensed unaudited consolidated statements of operations. Included in general and administrative expense for the nine month period ended September 30, 2006 is approximately $0.4 million of compensation expense related to the acceleration of stock option grants that occurred in the nine months ended September 30, 2006. These accelerations were a result of certain benefits given to employees whose employment ceased during the nine month period. There were no options granted during the nine months ended September 30, 2007. During the nine months ended September 30, 2006, we granted to certain employees, directors and executives the right to purchase 1,064,500 shares of MasTec's common stock at the current market price per share at the time of the option grant. The options granted during the nine months ended September 30, 2006 had a weighted average exercise price of $13.50 per share. The weighted average fair value of options granted during the nine month period ended September 30, 2006 was $8.47 per share.

We use the Black-Scholes valuation model to estimate the fair value of options to purchase our common stock and use the ratable method (an accelerated method of expense recognition under SFAS 123R) to amortize compensation expense over the vesting period of the option grant.

The fair value of each option granted was estimated using the following assumptions:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Expected life — employees.	4.25 - 7.00 years	4.26 - 7.00 years	4.25 - 7.00 years	4.26 - 7.00 years
Expected life — executives	5.88 - 9.88 years	5.74 - 9.74 years	5.88 - 9.88 years	5.74 - 9.74 years
Volatility percentage.	40% - 60%	40% - 65%	40% - 60%	40% - 65%
Interest rate.	3.97% - 4.85%	4.58% - 4.62%	3.97% - 5.03%	4.58% - 4.85%
Dividends.	None	None	None	None
Forfeiture rate.	7.44%	7.27%	7.44%	7.21%

We also sometimes grant restricted stock, which is valued based on the market price of our common stock on the date of grant. Compensation expense arising from restricted stock grants is recognized using the ratable method over the vesting period. Unearned compensation for performance-based options and restricted stock is shown as a reduction of shareholders' equity in the condensed unaudited consolidated balance sheets. Through September 30, 2007, we have issued 527,357 shares of restricted stock valued at approximately $5.8 million which is being expensed over various vesting periods (12 months to 4 years). Total unearned compensation related to restricted

MasTec, Inc.
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stock grants as of September 30, 2007 is approximately $2.7 million. Restricted stock expense for the three and nine months ended September 30, 2007 is approximately $0.3 million and $1.2 million, respectively, and is included in general and administrative expenses in the condensed unaudited statements of operations. Restricted stock expense for the three and nine months ended September 30, 2006 was approximately $0.4 million and $1.0 million, respectively, and is included in general and administrative expenses in the condensed unaudited statements of operations.

(g) Reclassifications

Certain reclassifications were made to the prior period financial statements in order to conform to the current period presentation. In addition, as discussed in Note 7, in March 2007 we reached the decision to sell substantially all of our Canadian operations. Accordingly, the net loss for these operations for the three and nine months ended September 30, 2006 have been reclassified from the prior period presentation as a loss from discontinued operations in our condensed unaudited consolidated statements of operations. In addition, current and long-term assets, as well as current and non-current liabilities, have been reclassified on the consolidated balance sheet as of December 31, 2006 to conform to the current presentation.

(h) Equity investments

Through January 2007 we owned a 49% interest in DirectStar TV LLC (“DirectStar”). We accounted for our 49% interest under the equity method as we had the ability to exercise significant influence, but not control, over the operational policies of the company. Our share of earnings or losses in this investment through January 2007 is included as other income, net in the condensed unaudited consolidated statements of operations. As discussed in Note 4, effective February 1, 2007, we acquired the remaining 51% equity interest in this entity, and accordingly, we have consolidated their operations with our results commencing in February 2007. As of December 31, 2006, our investment in DirectStar exceeded the net equity of such investment and the excess is considered to be equity goodwill.

(i) Fair value of financial instruments

We estimate the fair market value of financial instruments through the use of public market prices, quotes from financial institutions and other available information. Judgment is required in interpreting data to develop estimates of market value and, accordingly, amounts are not necessarily indicative of the amounts that we could realize in a current market exchange. Short-term financial instruments, including cash and cash equivalents, accounts and notes receivable, accounts payable and other liabilities, consist primarily of instruments without extended maturities, the fair value of which, based on management’s estimates, equaled their carrying values. At September 30, 2007, the fair value of our outstanding senior notes was approximately $145.7 million. At December 31, 2006, the fair value of our outstanding senior subordinated notes was approximately $121.0 million.

(j) Income taxes

In the past, we conducted business in the United States, as well as various territories outside of the United States. As a result, through one or more of our subsidiaries, we file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business we are subject to examination by taxing authorities in certain foreign locations, including such major jurisdictions as Canada, Brazil and the United States. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years before 2003.

We are currently under audit by the Internal Revenue Service for the 2004 tax year. The examination phase of the audit concluded in the three months ended June 30, 2007, and we have received preliminary indication that the IRS will recommend no change to the tax return we filed for that year. Until such time as we receive a formal notice of conclusion to this audit, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is possible that the related unrecognized tax benefits for tax positions taken regarding previously filed tax returns could change from those recorded for uncertain income tax positions in our financial statements. In addition, the outcome of the examination may impact the valuation of certain deferred tax assets (such as net operating losses) in future periods. Given the procedures for finalizing audits by the Internal Revenue Service, it is not possible to estimate the impact of changes, if any, to previously recorded uncertain tax positions.

MasTec, Inc.
Notes to the Condensed Unaudited Consolidated Financial Statements

We adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement 109*," ("FIN 48") in the first quarter of 2007. FIN 48 is an interpretation of FASB Statement No. 109, "*Accounting for Income Taxes*," and seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. Under FIN 48, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based on management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recognized the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in our financial statements.

On January 1, 2007, we recorded the cumulative effect of applying FIN 48 of $1.9 million as an adjustment to the balance of deferred tax assets, and an offset to the valuation allowance on that deferred tax asset. As of the adoption date, we had no accrued interest expense or penalties related to the unrecognized tax benefits. Interest and penalties, if incurred, would be recognized as a component of income tax expense.

Note 4 — Acquisition of Remaining 51% Interest in an Equity Method Investment

As discussed in Note 3, prior to February 1, 2007, we owned a 49% interest in DirectStar. The purchase price for this investment was an initial amount of $3.7 million which was paid in four quarterly installments of $925,000 through December 31, 2005. Beginning in the first quarter of 2006, eight additional contingent quarterly payments were expected to be made to the third party from which the interest was purchased. The contingent payments were to be up to a maximum of $1.3 million per quarter based on the level of unit sales and profitability of the limited liability company in specified preceding quarters. The first five quarterly payments, each of $925,000, were made on January 10, 2006, April 10, 2006, July 11, 2006, October 10, 2006 and January 10, 2007. The January 10, 2007 amount was included in accrued expenses and other assets at December 31, 2006. In March 2006, DirectStar requested an additional capital contribution in the amount of $2.0 million of which $980,000, or 49%, was paid by MasTec.

Effective February 1, 2007, we acquired the remaining 51% equity interest in this investment. As a result of our acquisition of the remaining 51% equity interest, we have consolidated the operations of DirectStar with our results commencing in February 2007. In February 2007, we paid the seller $8.65 million in cash, in addition to approximately $6.35 million which we also paid at that time to discharge our remaining obligations to the seller under the purchase agreement for the original 49% equity interest, and issued to the seller 300,000 shares of our common stock. We have also agreed to pay the seller an earn-out through the eighth anniversary of the closing date based on the future performance of the acquired business. In connection with the purchase, we entered into a service agreement with the sellers for them to manage the business. Under certain circumstances, including a change of control of MasTec or DirectStar or in certain cases a termination of the service agreement, the remaining earn-out payments will be accelerated and become payable. Under certain circumstances, we may be required to invest up to an additional $3.0 million in DirectStar. In connection with the acquisition, on April 13, 2007, we filed a registration statement to register for resale 200,000 shares of the total shares issued to the seller. On May 15, 2007, this registration statement was declared effective by the SEC.

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Notes to the Condensed Unaudited Consolidated Financial Statements

Amounts allocated to tangible and intangible assets are based on independent appraisals. The purchase price allocation for the 51% acquisition of this entity is based on the fair-value of each of the components as of February 1, 2007 (in thousands):

Net assets	$ 3,281
Tradename	476
Non-compete agreement	311
Other intangibles	6,715
Goodwill	928
Purchase price	$11,711

The purchase price for the original 49% equity interest exceeded the carrying value of the net assets as of original acquisition date and accordingly the excess was considered goodwill.

The non-compete agreements are in force with the former shareholders of the acquired entity and are being amortized over their contractual life.

Prior to the acquisition of the remaining 51% equity interest, we accounted for this investment using the equity method as we had the ability to exercise significant influence over the financial and operational policies of this limited liability company. We recognized approximately $0 and $2.0 million in equity income during the three months ended September 30, 2007 and 2006, respectively, and approximately $0.1 million and $3.6 million during the nine months ended September 30, 2007 and 2006, respectively. As of December 31, 2006, we had an investment balance of approximately $15.7 million in relation to this investment included in other assets in the condensed unaudited consolidated financial statements.

Note 5 — Other Assets and Liabilities

Prepaid expenses and other current assets as of September 30, 2007 and December 31, 2006 consist of the following (in thousands):

	September 30, 2007	December 31, 2006
Deferred tax assets	$ 18,121	$ 7,639
Notes receivable	3,399	213
Non-trade receivables	16,853	14,664
Other investments	1,930	5,548
Prepaid expenses and deposits	6,982	7,249
Other	4,762	3,439
Total prepaid expenses and other current assets	$ 52,047	$ 38,752

Other non-current assets consist of the following as of September 30, 2007 and December 31, 2006 (in thousands):

	September 30, 2007	December 31, 2006
Investment in real estate	$ 1,683	$ 1,683
Equity investment	100	15,719
Long-term portion of deferred financing costs, net	5,368	2,486
Cash surrender value of insurance policies	8,344	7,654
Insurance escrow	3,218	6,564
Long-term portion of notes receivable	200	3,150
Other receivables	1,500	2,910
Other	4,795	3,239
Total other assets	$ 25,208	$ 43,405

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Other current and non-current liabilities consist of the following as of September 30, 2007 and December 31, 2006 (in thousands):

	September 30, 2007	December 31, 2006
Current liabilities:		
Accrued compensation	$ 15,617	$ 10,980
Accrued settlement charges	23,712	—
Accrued insurance	18,195	16,784
Billings in excess of costs	6,105	3,122
Accrued amount due to buyers of state Department of Transportation projects and related assets	4,500	—
Accrued professional fees	3,451	4,810
Accrued interest	1,874	3,907
Obligations related to acquisitions	3,197	—
Accrued losses on contracts	238	410
Accrued payments related to equity investment	—	925
Other	15,450	6,328
Total other current liabilities	$ 92,339	$ 47,266

	September 30, 2007	December 31, 2006
Non-current liabilities:		
Accrued insurance	$ 28,294	$ 34,158
Minority interest	2,190	2,305
Other	96	58
Total other liabilities	$ 30,580	$ 36,521

Note 6 — Debt

Debt is comprised of the following at September 30, 2007 and December 31, 2006 (in thousands):

	September 30, 2007	December 31, 2006
Revolving credit facility at LIBOR (5.62% as of September 30, 2007 and 5.36% as of December 31, 2006) plus 1.125% as of September 30, 2007 and 1.25% as of December 31, 2006 or, at MasTec's option, the bank's base rate (7.75% as of September 30, 2007 and 8.25% as of December 31, 2006)	$ —	$ —
7.625% senior notes due February 2017	150,000	—
7.75% senior subordinated notes due February 2008	—	120,970
Capital lease obligations	12,688	8,045
Notes payable for equipment, at interest rates from 2.9% to 7.0% due in installments through the year 2010	788	1,161
Other notes payable	104	—
Total debt	163,580	130,176
Less current maturities	(2,811)	(1,769)
Long-term debt	$ 160,769	$ 128,407

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Revolving Credit Facility

We have a secured revolving credit facility under which we may borrow up to $150 million, subject to certain adjustments and restrictions (the “Credit Facility”). Pursuant to an amendment of the Credit Facility that became effective June 30, 2007, the expiration date of the Credit Facility was extended from May 10, 2010 to May 10, 2012. The amendment added an accordion feature which allows us to request an increase in the maximum amount borrowed under the Credit Facility from $150 million to $200 million, if certain criteria under the credit facility is met. This amendment also reduced the interest rate margin applied to borrowings and increased the maximum available amount we can borrow at any given time, among other things. Deferred financing costs related to the Credit Facility are included in prepaid expenses and other current assets, and in other assets in the condensed unaudited consolidated balance sheets.

The amount that we can borrow at any given time is based upon a formula that takes into account, among other things, eligible billed and unbilled accounts receivable, equipment, real estate and eligible cash collateral, which can result in borrowing availability of less than the full amount of the Credit Facility. As of September 30, 2007 and December 31, 2006, net availability under the Credit Facility totaled $35.9 million and $35.1 million, respectively, which includes outstanding standby letters of credit aggregating $86.4 million and $83.3 million as of such dates, respectively. At September 30, 2007, $64.8 million of the outstanding letters of credit were issued to support MasTec’s casualty and medical insurance requirements. These letters of credit mature at various dates and most have automatic renewal provisions subject to prior notice of cancellation. The Credit Facility is collateralized by a first priority security interest in substantially all of our assets and a pledge of the stock of certain of our operating subsidiaries. Substantially all of our wholly-owned subsidiaries collateralize the Credit Facility. At September 30, 2007 and December 31, 2006, we had no outstanding cash draws under the Credit Facility. Interest under the Credit Facility accrues at variable rates based, at our option, on the agent bank’s base rate plus a margin of between 0.0% and 0.50%, or at the LIBOR rate (as defined in the Credit Facility) plus a margin of between 1.00% and 2.00%, depending on certain financial thresholds. Through December 31, 2007, the Credit Facility provides that the margin over LIBOR will be no higher than 1.125%, and currently the margin we pay over LIBOR is 1.125%. The Credit Facility includes an unused facility fee of 0.25%.

The Credit Facility contains customary events of default (including cross-default) provisions and covenants related to our operations that prohibit, among other things, making investments and acquisitions in excess of specified amounts, incurring additional indebtedness in excess of specified amounts, paying cash dividends, making other distributions, creating liens against our assets, prepaying other indebtedness including our 7.625% senior notes, and engaging in certain mergers or combinations without the prior written consent of the lenders. In addition, any deterioration in the quality of billed and unbilled receivables, reduction in the value of our equipment or an increase in our lease expense related to real estate, would reduce availability under the Credit Facility.

MasTec is required to be in compliance with a minimum fixed charge coverage ratio of 1.1 to 1.0 measured on a monthly basis, and certain events are triggered, if the net availability under the Credit Facility does not exceed $15.0 million. The $15.0 million availability trigger is subject to adjustment if the maximum amount we may borrow under the Credit Facility is adjusted. The fixed charge coverage ratio is generally defined to mean the ratio of our net income before interest expense, income tax expense, depreciation expense, and amortization expense minus net capital expenditures and cash taxes to the sum of all interest expense plus current maturities of debt for the period. The financial covenant was not applicable as of September 30, 2007 because at that time the net availability under the Credit Facility did not decline below the required threshold specified above.

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Senior Notes

On January 31, 2007, we issued $150.0 million aggregate principal amount of 7.625% senior notes due February 2017 in a private placement. The notes are guaranteed by substantially all of our domestic restricted subsidiaries. On May 29, 2007, a registration statement registering the unregistered notes was declared effective by the SEC. On May 29, 2007, we commenced an exchange offer whereby holders of our unregistered notes were able to exchange those notes for registered notes. On June 29, 2007, all of the holders of our unregistered notes tendered their unregistered notes for exchange and received a like amount of registered notes in the exchange. We used approximately $121.8 million of the net proceeds from this offering to redeem all of our outstanding 7.75% senior subordinated notes due February 2008 plus interest on March 2, 2007. We expect to use the remaining net proceeds for working capital, possible acquisition of assets and businesses and other general corporate purposes. As of September 30, 2007, we had outstanding $150.0 million in principal amount of these 7.625% senior notes. Interest is due semi-annually. The notes are redeemable, in whole or in part, at our option at anytime on or after February 1, 2012. The initial redemption price is 103.813% of the principal amount, plus accrued interest. The redemption price will decline each year after 2012 and will be 100% of the principal amount, plus accrued interest, beginning on February 1, 2015. The notes also contain default (including cross-default) provisions and covenants restricting many of the same transactions restricted under the Credit Facility.

For the three months ended September 30, 2007, our non-guarantor subsidiaries had revenues of $11.8 million or 4.4% of our consolidated revenues and income from continuing operations of $0.9 million, compared to our consolidated loss from continuing operations of $26.7 million. For the nine months ended September 30, 2007, our non-guarantor subsidiaries had revenues of $32.2 million, or 4.2% of our consolidated revenues and income from continuing operations of $2.7 million, compared to our consolidated loss from continuing operations of $3.7 million. For the three months ended September 30, 2006, our non-guarantor subsidiaries had revenues of $9.1 million or 3.6% of our consolidated revenues and income from continuing operations of $1.0 million or 6.7% of our consolidated income from continuing operations. For the nine months ended September 30, 2006, our non-guarantor subsidiaries had revenues of $18.8 million or 2.7% of our consolidated revenues and income from continuing operations of $1.0 million or 3.3% of our consolidated income from continuing operations. At September 30, 2007 and December 31, 2006, our non-guarantor subsidiaries had total assets of $18.5 million and $13.9 million, respectively.

Capital Lease Obligations

During 2007, we entered into agreements which provided financing for various machinery and equipment totaling $5.9 million. These capital leases are non-cash transactions and, accordingly, have been excluded from the condensed unaudited consolidated statements of cash flows. These leases range between 60 and 96 months and have effective interest rates ranging from 4.34% to 7.65%. In accordance with Statement of Financial Accounting Standard No. 13, "*Accounting for Leases*" ("SFAS 13"), as amended, these leases were capitalized. SFAS 13 requires the capitalization of leases meeting certain criteria, with the related asset being recorded in property and equipment and an offsetting amount recorded as a liability. As of September 30, 2007, we had $12.7 million in total indebtedness relating to the capital leases, of which $10.5 million was considered long-term.

Note 7 — Discontinued Operations

On March 30, 2007, our board of directors voted to sell substantially all of our Canadian operations. The decision to sell was made after our evaluation of short and long-term prospects for these operations. Due to this decision, the operations in Canada have been accounted for as discontinued operations for all periods presented. In addition, we reviewed the carrying value of the net assets related to our Canadian operations. During the nine month period ended September 30, 2007 we wrote-off $0.4 million in goodwill in connection with our decision to sell substantially all of our Canadian net assets. In addition, based on management's estimate and the expected selling price, we recorded a non-cash impairment charge of approximately $0.2 million.

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On April 10, 2007, we sold substantially all of our Canadian operations for a sales price of approximately $1.0 million. The purchase price is subject to adjustments based on the value of net assets sold as of March 31, 2007.

The following table summarizes the assets and liabilities related to our Canadian operations as of December 31, 2006 (in thousands):

	December 31, 2006
Cash	$ 1,053
Accounts receivable, net	352
Prepaid expenses and other current assets	383
Current assets	$ 1,788
Property and equipment, net	$ 188
Other assets	401
Long-term assets	$ 589
Current liabilities	$ 687
Long-term liabilities	$ —

As of September 30, 2007, assets and liabilities retained from our Canadian operations included cash and other current assets of approximately $1.0 million, and current liabilities of approximately $0.8 million.

The following table summarizes the results of our Canadian operations (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenue	$ —	$ 1,634	$ 675	$ 4,360
Cost of revenue	—	(1,450)	(823)	(4,076)
Operating and other expenses	(52)	(251)	(990)	(1,085)
Loss from operations before benefit for income taxes	(52)	(67)	(1,138)	(801)
Benefit for income taxes	—	—	—	—
Net loss	$ (52)	$ (67)	$ (1,138)	$ (801)

On December 31, 2005, the executive committee of our board of directors voted to sell substantially all of our state Department of Transportation related projects and assets. The decision to sell was made after evaluation of, among other things, short and long-term prospects. Due to this decision, the projects and assets that were for sale had been accounted for as discontinued operations for all periods presented. In addition, we reviewed all projects in process to determine if the estimated to complete amounts were materially accurate and all projects with an estimated loss were accrued for. A review of the carrying value of property and equipment related to the state Department of Transportation projects and assets was conducted in connection with the decision to sell these projects and assets. Management assumed a one year cash flow and estimated a selling price using a weighted probability cash flow approach based on management’s estimates.

On February 14, 2007, we sold the state of Department of Transportation related projects and underlying net assets. We agreed to keep certain assets and liabilities related to the state Department of Transportation related projects. The sales price of $1.0 million was paid in cash at closing. In addition, the buyer is required to pay us an earn out of up to $12.0 million contingent on future operations of the projects sold to the buyer. However, as the earn out is contingent upon the future performance of the state Department of Transportation related projects, we may not receive any of these earn out payments. While the buyer of the state Department of Transportation related projects has indemnified us for all

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contracts and liabilities sold, and has agreed to issue a standby letter of credit in our favor in February 2008 to cover any remaining exposure, if the buyer were unable to meet its contractual obligations to a customer and the surety paid the amounts due under the bond, the surety would seek reimbursement of such amounts from us. The closing was effective February 1, 2007 to the extent set forth in the purchase agreement. As a result of this sale, we recorded an impairment charge of $44.5 million during the year ended December 31, 2006 calculated using the estimated sales price and management's estimate of closing costs and other liabilities. In connection with the execution of the sales agreement in the first quarter of 2007, we recorded an additional $2.9 million charge in connection with this transaction.

The following table summarizes the assets held for sale and liabilities related to the assets held for sale for the state Department of Transportation operations as of December 31, 2006 (in thousands):

	December 31, 2006
Accounts receivable, net	$ 10,315
Inventory	8,461
Other current assets	37
Current assets held for sale	$ 18,813
Property and equipment, net	$ —
Long-term assets	70
Long-term assets held for sale	$ 70
Current liabilities related to assets held for sale	$ 24,946
Long-term liabilities related to assets held for sale	$ 596

The following table summarizes the results of operations for the state Department of Transportation related projects and assets that are considered to be discontinued (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenue	$ —	$ 19,673	$ 5,663	$ 66,739
Cost of revenue	(581)	(24,449)	(6,892)	(87,264)
Operating and other expenses.	(4,733)	(17,075)	(8,513)	(44,694)
Loss from operations before benefit for income taxes	(5,314)	(21,851)	(9,742)	(65,219)
Benefit for income taxes	—	—	—	—
Net loss	$ (5,314)	$(21,851)	$ (9,742)	$(65,219)

In November 2007, we are negotiating towards a settlement with the buyers of our state Department of Transportation projects and assets, who had raised certain warranty, indemnification and other claims primarily relating to work we had performed on projects which the buyers purchased. Under the current terms of the negotiation, MasTec will pay $4.5 million in cash and obtain a release from nearly all obligations, including warranty and other indemnifications, related to the projects and assets sold. MasTec recorded an accrual of $4.5 million, which is reflected in our loss from discontinued operations in the accompanying consolidated statements of operations, during the three months ended September 30, 2007 in connection with this negotiation.

During the fourth quarter of 2004, we ceased performing new services related to our network services operations. On May 24, 2006, we sold certain of these network services operations assets to a third party for $0.2 million consisting of $0.1 million in cash and a promissory note in the principal amount of $0.1 million. The promissory note is included in other current assets in the accompanying condensed unaudited consolidated balance sheet. These operations have been classified as a discontinued operation in all periods presented. The net income for the network services operations was immaterial for both the three and nine months ended September 30, 2007 and 2006, respectively.

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Note 8 — Commitments and Contingencies

Change in Strategy Regarding Litigation and Other Disputes. In the third quarter of 2007, our senior management performed a reassessment of our major legal cases, claims and other disputes, including disputes involving amounts due us, and decided to accelerate the closure of a number of these matters, particularly older legal cases, claims and disputes from the years 2001-2005, which generally do not involve current customers. In part, this decision was driven by a desire to reduce the high levels of legal expense and related costs that we have incurred in recent years, and to reduce the amount of management's time devoted to litigation matters and other claims and disputes. While the Company will attempt to accelerate the closure of these matters, it will only do so if we believe such resolution is in the best interests of MasTec and its shareholders.

Legacy Litigation. MasTec is subject to significant outstanding litigation, primarily dating from the period 2001 through 2005.

In 2005, former employees filed a Fair Labor Standards Act ("FLSA") collective action against MasTec in the Federal District Court in Tampa, Florida, alleging failure to pay overtime wages as required under the FLSA. While MasTec denies the allegations underlying the lawsuit, in October 2007 we agreed to a settlement to avoid significant legal fees, the uncertainty of a jury trial, other expenses and management time that would have to be devoted to protracted litigation. The settlement covers MasTec's current and former install to the home employees who were employed by MasTec from October 2001 through September 2007 in California, Florida, Georgia, Maryland, New Jersey, New Mexico, North Carolina, South Carolina, Texas, and Virginia. The gross amount of the settlement is up to $12.6 million, and is subject to court approval. This amount represents the maximum payout, assuming 100% opt-in by all potential members of the purported class. The minimum payment under the agreement is approximately $3.8 million to the plaintiffs' attorneys and $0.8 million for the named plaintiffs who have already joined the lawsuit. The total amount of expected exposure will depend on the number of participants who opt-in to this class action. Future opt-in rates are difficult to predict, especially with the transient nature of this workforce, but based on our current estimates and discussion with experts in this area, we currently project actual payments to be approximately $9.6 million as a result of this settlement. We had recorded $0.6 million in prior periods for this contingency and, as a result of the settlement discussed above, have recorded an additional charge of $9.0 million in the three months ended September 30, 2007.

We contracted to construct a natural gas pipeline for Coos County, Oregon in 2003. Construction work on the pipeline ceased in December 2003 after Coos County refused payment due us on regular contract invoices of $6.3 million and refused to process change orders submitted after November 2003 for additional work. In February 2004, we declared a breach of contract and brought an action for breach of contract against Coos County in Federal District Court in Oregon, seeking payment for work done and interest. In April 2004, Coos County announced it was terminating the contract and seeking another company to complete the project. Coos County subsequently counterclaimed against us in the Federal District Court action seeking damages in excess of $15 million for breach of contract for alleged failures to properly construct the pipeline and for alleged environmental and labor law violations, and other causes. The amount of revenue recognized on the Coos County project that remained uncollected in accounts receivable on the September 30, 2007 balance sheet amounted to $6.3 million representing amounts due to us on normal progress payment invoices submitted under the contract. In addition to these uncollected receivables, we also have additional claims for payment and interest in excess of $6.0 million, including all of our change order billings and retainage, which we have not recognized as revenue but which we believe are due to us under the terms of the contract. The matter is currently being prepared for trial, which is expected to occur in 2008.

In connection with the Coos County pipeline project, the United States Army Corps of Engineers, or "Corps of Engineers", and the Oregon Department of Environmental Quality issued cease and desist orders and notices of non-compliance to Coos County and to us with respect to the project. While we do not agree that the notices were appropriate or justified, we have cooperated with the Corps of Engineers and the Oregon Division of State Land, Department of Environmental Quality to mitigate any adverse impact as a result of construction. On March 30, 2006, the Corps of Engineers brought a complaint in a federal district court against us and Coos County and are seeking damages in excess of $16 million. The matter is expected to go to trial in 2008.

In June 2005, we posted a $2.3 million bond in order to pursue the appeal of a $2.0 million final judgment entered against us for damages plus attorney's fees resulting from a break in a Citgo pipeline that occurred in 1999. We are seeking a new trial and a reduction in the amount of damages awarded. We will continue to contest this matter in the appellate court, and on subsequent retrial, if any.

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During 2003 and 2004, we provided services to MSE Power Systems on five separate projects in Pennsylvania, New York and Georgia, with invoices in excess of $8 million in dispute. In 2004 we filed suit against MSE seeking payment. To date, we have recovered $1.3 million from MSE in settlement on three of these projects and are seeking additional amounts owed us. An arbitration ruling is expected during the last quarter of 2007.

In November 2004, MasTec entered into, and bonded, a conditional $2.6 million settlement of litigation brought for subcontract work done in 2001 by Hugh O'Kane Electric for MasTec on a telecommunication project for Telergy in New York. Telergy is in bankruptcy and did not pay MasTec for this work. The settlement was conditioned on the outcome of an appeal brought by MasTec. The appeal sought to enforce contract terms which relieved MasTec of its obligation to pay Hugh O'Kane when MasTec was not paid by Telergy. New York's appellate level court upheld the enforceability of the terms of MasTec's contract, but remanded the case to the trial court to determine whether there were factual issues that prevented MasTec from using this contract provision as a defense. Similar litigation was filed against MasTec by other subcontractors performing work in 2001 on the Telergy project. In a related matter, MasTec filed suit against Con Edison in May 2002, alleging that Con Edison directly interfered with MasTec's work for Telergy, and that this interference resulted in the bankruptcy of Telergy and resulted in Con Edison obtaining MasTec's work on the Telergy project without paying for it. MasTec seeks in excess of $40 million from Con Edison.

Other Litigation, Claims and Disputes. In addition to the matters discussed above, we are also subject to a variety of legal cases, claims and other disputes that arise from time to time in the ordinary course of our business.

We provided telecommunication infrastructure services to Adesta Communications, Inc. in 2000 and 2001. Adesta filed for bankruptcy in 2001. At September 30, 2007 we were seeking to recover amounts in excess of $4 million from the Adesta bankruptcy trustee from the proceeds of the sale of Adesta's assets. Based on our understanding of the current status of the bankruptcy trustee's sales negotiations with respect to these assets, we have reflected $1.3 million in other current assets on our consolidated balance sheet at September 30, 2007 related to Adesta.

Financial Statement Impact. Primarily as a result of the change in strategy noted above, in the three months ended September 30, 2007 we entered into settlement negotiations on several of these legal cases, claims and other disputes, including disputes involving amounts due us, reached settlement on the FLSA matter discussed above and on other disputes, and authorized settlement on a number of other matters, including certain accounts receivable for which we had been pursuing collection via negotiation or via the legal process. As a result of these negotiations and actual or anticipated settlements, and other developments, we recorded charges totaling $39.1 million for the actual or anticipated settlement of litigation, claims and other disputes in the three months ended September 30, 2007. This charge is for the actual or anticipated settlement of legacy legal cases, claims and other disputes, including adjustments to reserves and other valuation accounts for litigated or disputed collections, and relates mostly to the years 2001-2005.

We accrued aggregate liabilities of approximately $24.2 million in the three months ended September 30, 2007, which is included in other current liabilities, for the matters discussed above and for other matters. We also increased our allowance for doubtful accounts and other asset valuation accounts by $14.9 million in the quarter ended September 30, 2007. These charges relate mostly to the years 2001-2005.

Although we believe that we have gone thorough a thorough review of these legacy and other matters and have developed our best estimate for settling the legacy legal cases, claims and other disputes, these matters are subject to inherent uncertainties and management's view of these matters may change in the future as facts and circumstances change. We have incurred substantial costs in connection with these claims and will continue to do so until there is a resolution of these matters. We can not assure you that a favorable outcome will be reached in any of these cases. If we are not able to settle these cases at the amounts estimated, or if we are subject to an unfavorable trial outcome or other final resolution on these matters, there exists the possibility of a material adverse impact on the Company's financial position and on the results of operations for the period in which the effect becomes reasonably estimable.

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Note 9 — Concentrations of Risk

We provide services to our customers in the following industries: communications, utilities and government.

Revenue for customers in these industries is as follows (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Communications	$202,163	$184,823	$569,863	$503,710
Utilities	51,560	56,193	154,955	170,419
Government	13,141	11,220	39,326	26,231
	$266,864	$252,236	$764,144	$700,360

We grant credit, generally without collateral, to our customers. Consequently, we are subject to potential credit risk related to changes in business and economic factors. However, we generally have certain lien rights on that work and concentrations of credit risk are limited due to the diversity of the customer base. We believe our billing and collection policies are adequate to minimize potential credit risk. During the three months ended September 30, 2007, 52.5% of our total revenue was attributed to two customers. Revenue from these two customers accounted for 44.2% and 8.3%, respectively, of the total revenue for the three months ended September 30, 2007. During the three months ended September 30, 2006, two customers accounted for 45.3% of our total revenue. Revenue from these two customers accounted for 36.7% and 8.7%, respectively, of the total revenue for the three months ended September 30, 2006. During the nine months ended September 30, 2007, 53.9% of our total revenue was attributed to two customers. Revenue from these two customers accounted for 44.2% and 9.7%, respectively, of the total revenue for the nine months ended September 30, 2007. During the nine months ended September 30, 2006, two customers accounted for 47.5% of our total revenue. Revenue from these two customers accounted for 36.3% and 11.2%, respectively, of the total revenue for the nine months ended September 30, 2006.

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. We maintain an allowance for doubtful accounts of $19.9 million and $11.6 million as of September 30, 2007 and December 31, 2006, respectively, for both specific customers and as a reserve against other uncollectible accounts receivable. The increase in reserves is primarily due to our change in strategy during the three months ended September 30, 2007 in an attempt to settle certain collection matters. This decision contributed to $14.9 million of additional allowance for doubtful accounts and other valuation reserves. This increase in reserve was partially offset by certain specific reserves being written off against the related accounts receivable in the nine months ended September 30, 2007. Management analyzes historical bad debt experience, customer concentrations, customer credit-worthiness, the availability of liens, the existence of payment bonds and other sources of payment, and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. If judgments regarding the collectibility of accounts receivables are incorrect, adjustments to the allowance may be required, which would reduce profitability. In addition, our reserve covers the accounts receivable related to customers that filed for bankruptcy protection. As of September 30, 2007 we had remaining receivables from customers undergoing bankruptcy reorganization totaling $10.3 million, of which $7.3 million is specifically reserved. As of December 31, 2006, we had remaining receivables from customers undergoing bankruptcy reorganization totaling $10.3 million, of which $4.1 million was specifically reserved. Should additional customers file for bankruptcy or experience financial difficulties, or should anticipated recoveries in existing bankruptcies and other workout situations fail to materialize, we could experience reduced cash flows and losses in excess of the current allowance.

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Note 10 — Related Party Transactions

MasTec purchases, rents and leases equipment used in its business from a number of different vendors, on a non-exclusive basis, including Neff Corp. ("Neff"), in which Jorge Mas, Chairman of our Board of Directors, and Jose Mas, our President and Chief Executive Officer, were directors and owners of a controlling interest through June 4, 2005. Juan Carlos Mas, the brother of Jorge and Jose Mas, was the Chairman, Chief Executive Officer, a director and a shareholder of Neff until May 31, 2007 when he sold his Neff shares and resigned as its chief executive officer. Juan Carlos Mas remains as chairman of the Neff board of directors. During the three months ending September 30, 2007 and 2006, we paid Neff approximately $1.0 million and $0.2 million, respectively, and $1.9 million and $0.9 million during the nine months ended September 30, 2007 and 2006, respectively. We believe the amounts paid to Neff was equivalent to the payments that would have been made between unrelated parties for similar transactions acting on an at arms length basis.

We provide the services of certain marketing and sales personnel to an entity which was previously 49% owned by us. These services are reimbursed to us at cost. During the nine months ended September 30, 2007, total payments received from this entity amounted to approximately $1.1 million.

We charter aircrafts from a third party who leases two of its aircraft from entities in which Jorge Mas, Chairman of our Board of Directors, and Jose Mas, our President and Chief Executive Officer, have an ownership interest. We paid this unrelated chartering company approximately $0.1 million and $0.7 million during the three and nine month period ended September 30, 2007, respectively, and $0.2 million and $0.4 million during the three and nine month period ended September 30, 2006, respectively.

During the three month period ended September 30, 2007 and 2006, we had an arrangement with a customer whereby we leased employees to that customer and charged approximately $0.1 million and $0.1 million, respectively, to the customer. We leased employees to this customer and charged approximately $0.3 million and $0.2 million during the nine month period ended September 30, 2007 and 2006, respectively. Jorge Mas, Chairman of our Board of Directors, and Jose Mas, our President and Chief Executive Officer, are minority owners of this customer.

MasTec has entered into split dollar agreements with key executives and former executives, and with the Chairman of our Board of Directors. During the three months ended September 30, 2007 and 2006, we paid approximately $0.2 million and $0.4 million, respectively, in premiums in connection with these split dollar agreements and approximately $0.7 million and $1.0 million during the nine month period ended September 30, 2007 and 2006, respectively.

In December 2006, we sold a property used in our operations for $3.5 million to an entity whose principal is also a principal of our then 51% owned subsidiary. We received a note in the amount of $2.8 million due December 2007, and guaranteed by the principal noted above. Concurrent with the sale of this property, we entered into a month-to-month lease agreement at $25,000 per month. In the second quarter of 2007 we terminated this lease. In accordance with Statement of Financial Accounting Standards No. 66, "*Accounting for Sales of Real Estate*" and Statement of Financial Accounting Standards No. 98, "*Accounting for Leases; Sale-Leaseback Transactions Involving Real Estate; Sales-Type Leases of Real Estate; Definition of the Lease Term; Initial Direct Costs of Direct Financing Lease-An Amendment of FASB Statements No. 13, 66 and 91 and a Rescission of FASB Statement No. 26 and Technical Bulletin No. 79-11,*" we recognized a gain on this sale of approximately $2.5 million in the first quarter of 2007. In October 2007, we collected the amount due on the note receivable of $2.8 million plus accrued interest.

Note 11 — New Accounting Pronouncements

On February 15, 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115*" ("SFAS 159"). This standard permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of SFAS No. 159 are elective; however, the amendment to SFAS No. 115, "*Accounting for Certain Investments in Debt and Equity Securities,*" applies to all entities that own trading and available-for-sale securities. The fair value option created by SFAS 159 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not to only a portion of the instrument. SFAS 159 is effective as of the beginning of the first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity (i) makes that choice in the first 120 days of that year, (ii) has not yet issued financial statements for any interim period of such year, and (iii) elects to apply the provisions of SFAS 157. We are currently evaluating the impact of SFAS 159, if any, on our consolidated financial statements.

MasTec, Inc.
Notes to the Condensed Unaudited Consolidated Financial Statements

In November 2006, the Emerging Issues Task Force reached a consensus on Issue No. 06-04, "*Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split of Endorsement Split-Dollar Life Insurance Arrangements*", ("EITF 06-04"). EITF 06-04 reached a consensus that for a split-dollar life insurance arrangement that provides a benefit to an employee that extends to postretirement periods, an employer should recognize a liability for future benefits in accordance with FAS No. 106 or Opinion 12 (depending upon whether a substantive plan is deemed to exist) based on the substantive agreement with the employee. This consensus is effective for fiscal years beginning after December 15, 2007. We are currently evaluating the impact of EITF 06-04, if any, on our consolidated financial statements**.**

In November 2006, the Emerging Issues Task Force reached a consensus on Issue No. 06-05, "*Accounting for Purchase of Life Insurance-Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-04*", ("EITF 06-05"). EITF 06-05 reached a consensus that a policyholder should consider any additional amounts included in the contractual terms of the policy in determining the amount that could be realized under the insurance contract. The Task Force agreed that contractual limitations should be considered when determining the realizable amounts. Those amounts that are recoverable by the policyholder at the discretion of the insurance company should be excluded from the amount that could be realized. The Task Force also agreed that fixed amounts that are recoverable by the policyholder in future periods in excess of one year from the surrender of the policy should be recognized at their present value. The Task Force also reached a consensus that a policy holder should determine the amount that could be realizable under the life insurance contract assuming the surrender of an individual-life by individual policy (or certificate by certificate in a group policy). The Task Force noted that any amount that is ultimately realized by the policyholder upon the assumed surrender of the final policy (or final certificate in a group policy) shall be included in the amount that could be realized under the insurance contract. This consensus is effective for fiscal years beginning after December 15, 2006. The implementation of this pronouncement did not have a material effect on our consolidated financial statements**.**

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 158, "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88 and 132(R)*" ("SFAS 158"). This statement requires an employer to recognize the funded status of a benefit plan as an asset or liability in its financial statements. The funded status is measured as the difference between plan assets at fair value and the plan's specific benefit obligation, which would be the projected benefit obligation. Under SFAS 158, the gains or losses and prior service cost or credits that arise in a period but are not immediately recognized as components of net periodic benefit expense will now be recognized, net of tax, as a component of other comprehensive income. SFAS 158 is effective for fiscal years ending after December 15, 2008. We do not expect this pronouncement to have a material effect on our consolidated financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 ("SFAS 157"), "*Fair Value Measurements*". This statement establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair-value measurements. SFAS 157 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". For MasTec, SFAS 157 is effective for the fiscal year beginning January 1, 2008. We are currently evaluating this standard to determine its impact, if any, on our consolidated financial statements.

In February 2006, the FASB issued Statement of Financial Accounting Standard No. 155, "*Accounting for Certain Hybrid Financial Instruments — an amendment of FASB Statements No. 133 and 140.*" In March 2006, the FASB issued Statement of Financial Accounting Standard No. 156, "*Accounting for Servicing of Financial Assets — an amendment of FASB Statement No. 140.*" These statements became effective January 1, 2007 and did not have a material effect on our consolidated financial statements**.**

Note 12 — Subsequent Events

On October 2, 2007, we acquired all of the outstanding shares of capital stock of Three Phase Line Construction, Inc. for a purchase price of $8.0 million in cash, subject to adjustment, and an earn-out based on future performance of the acquired entity. We may, at our option, issue shares of our common stock to the sellers of Three Phase Line Construction, Inc. in connection with the earn-out for this acquisition. Three Phase Line Construction, Inc. was involved in the construction and maintenance of transmission and distribution utility systems, substation and storm restoration in several of the northeastern states.

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

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts but are the intent, belief, or current expectations, of our business and industry, and the assumptions upon which these statements are based. Words such as "anticipates", "expects", "intends", "will", "could", "would", "should", "may", "plans", "believes", "seeks", "estimates" and variations of these words and the negatives thereof and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties include those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this report and in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, including those described under "Risk Factors" in the Form 10-K as updated by Item 1A "Risk Factors" in this report and other of our SEC filings. Forward-looking statements that were true at the time made may ultimately prove to be incorrect or false. Readers are cautioned to not place undue reliance on forward-looking statements, which reflect our management's view only as of the date of this report. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

Overview

We are a leading specialty contractor operating mainly throughout the United States and across a range of industries. Our core activities are the building, installation, maintenance and upgrade of communications and utility infrastructure. Our primary customers are in the following industries: communications (including satellite television and cable television), utilities and government. We provide similar infrastructure services across the industries we serve. Our customers rely on us to build and maintain infrastructure and networks that are critical to their delivery of voice, video and data communications, electricity and other energy resources.

In the third quarter of 2007, our senior management performed a reassessment of our major legal cases and other disputes and decided to accelerate the closure of a number of cases, particularly older legal cases and disputes, which do not involve current customers. As discussed in Note 8 in Part I. Item 1. Financial Statements to this Form 10-Q, this decision was driven by a desire to reduce the high levels of legal expense and related costs we have incurred in recent years, and to reduce the amount of management's time devoted to litigation matters and other disputes. As a result of this change in strategy and other developments, we recorded charges totaling $39.1 million for the actual or anticipated settlement of litigation, disputes and other contingencies in the quarter ended September 30, 2007.

On March 30, 2007, our board of directors voted to sell substantially all of our Canadian assets and liabilities. On April 10, 2007, we sold substantially all of our Canadian net assets for approximately $1.0 million. The purchase price is subject to adjustments based on the value of the net assets acquired as of March 31, 2007. As a result of our decision to sell substantially all of our Canadian net assets, we wrote-off approximately $0.4 million in goodwill and recorded a non-cash impairment charge of approximately $0.2 million during the three month period ended March 31, 2007. See Note 7 in Part I. Item 1. Financial Statements.

On February 14, 2007, we sold substantially all of our state Department of Transportation related projects and underlying net assets. We kept certain assets and liabilities related to the state Department of Transportation projects. See "Item 1A. Risk Factors — We have agreed to keep certain assets and liabilities related to the state Department of Transportation related projects that were sold in February 2007" included in our most recent Annual Report on Form 10-K. A sales price of $1.0 million was paid at closing. In addition, the buyer is required to pay us an earn out of up to $12.0 million contingent on the future operations of the projects sold to the buyer. However, as the earn out is contingent upon the future performance of the state Department of Transportation related projects, we may not receive any of these earn out payments. See Note 7 in Part I. Item 1. Financial Statements.

Effective February 1, 2007, we acquired the remaining 51% equity interest in DirectStar, an investment which had been previously accounted for by the equity method. As a result of our acquisition of the remaining 51% equity interest, we have consolidated the operations of this entity with our results beginning in February 2007. See Note 4 in Part I. Item 1. Financial Statements.

On January 31, 2007, we issued $150.0 million aggregate principal amount of 7.625% senior notes due February 2017. The notes are guaranteed by substantially all of our domestic restricted subsidiaries. We used approximately $121.8 million of the net proceeds from this offering to redeem all of our 7.75% senior subordinated notes due February 2008 plus interest. We expect to use the remaining net proceeds for working capital, possible acquisition of assets and businesses and other general corporate purposes.

Revenue

We provide services to our customers which are companies in the communications and utilities industries, as well as government customers.

Revenue for customers in these industries is as follows (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Communications	$202,163	$184,823	$569,863	$503,710
Utilities	51,560	56,193	154,955	170,419
Government	13,141	11,220	39,326	26,231
	$266,864	$252,236	$764,144	$700,360

A majority of our revenue is derived from projects performed under service agreements. Some of these agreements are billed on a time and materials basis and revenue is recognized as the services are rendered. We also provide services under master service agreements which are generally multi-year agreements. Certain of our master service agreements are exclusive up to a specified dollar amount per work order for each defined geographic area. Work performed under master service and other agreements is typically generated by work orders, each of which is performed for a fixed fee. The majority of these services typically are of a maintenance nature and to a lesser extent upgrade services. These master service agreements and other service agreements are frequently awarded on a competitive bid basis, although customers are sometimes willing to negotiate contract extensions beyond their original terms without re-bidding. Our master service agreements and other service agreements have various terms, depending upon the nature of the services provided and are typically subject to termination on short notice. Under our master service and similar type service agreements, we furnish various specified units of service each for a separate fixed price per unit of service. We recognize revenue as the related unit of service is performed. For service agreements on a fixed fee basis, profitability will be reduced if the actual costs to complete each unit exceed original estimates. We also immediately recognize the full amount of any estimated loss on these fixed fee projects if estimated costs to complete the remaining units for the project exceed the revenue to be received from such units.

The remainder of our work is generated pursuant to contracts for specific installation and construction projects or jobs. For installation/construction projects, we recognize revenue on the units-of-delivery or percentage-of-completion methods. Revenue on unit based projects is recognized using the units-of-delivery method. Under the units-of-delivery method, revenue is recognized as the units are completed at the contractually agreed price per unit. For certain customers with unit based installation and construction projects, we recognize revenue after the service is performed and the work orders are approved to ensure that collectibility is probable from these customers. Revenue from completed work orders not collected in accordance with the payment terms established with these customers is not recognized until collection is assured. Revenue on non-unit based contracts is recognized using the percentage-of-completion method. Under the percentage-of-completion method, we record revenue as work on the contract progresses. The cumulative amount of revenue recorded on a contract at a specified point in time is that percentage of total estimated revenue that incurred costs to date bear to estimated total contract costs. Customers are billed with varying frequency: weekly, monthly or upon attaining specific milestones. Such contracts generally include retainage provisions under which 2% to 15% of the contract price is withheld from us until the work has been completed and accepted by the customer. If, as work progresses, the actual costs of a project exceed estimates, the profit recognized on revenue from that project decreases. We recognize the full amount of any estimated loss on a contract at the time the estimates indicate such a loss.

Revenue by type of contract is as follows (in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Master service and other service agreements	$192,895	$182,591	$558,632	$523,866
Installation/construction projects agreements	73,969	69,645	205,512	176,494
	$266,864	$252,236	$764,144	$700,360

Costs of Revenue

Our costs of revenue include the costs of providing services or completing the projects under our contracts including operations payroll and benefits, fuel, subcontractor costs, equipment leases and rental, materials not provided by our customers, and insurance. Profitability will be reduced if the actual costs to complete each unit exceed original estimates on fixed price service agreements. We also immediately recognize the full amount of any estimated loss on fixed fee projects if the estimated costs to complete the remaining units for the project exceed the revenue to be received from such units.

Our customers generally supply materials such as cable, conduit and telephone equipment. Customer furnished materials are not included in revenue and cost of sales because such materials are purchased by the customer. The customer determines the specifications of the materials that are to be utilized to perform installation/construction services. We are only responsible for the performance of the installation/construction services and not the materials for any contract that includes customer furnished materials nor do we have any risk associated with customer furnished materials. Our customers retain the financial and performance risk of all customer furnished materials.

General and Administrative Expenses

General and administrative expenses include all costs of our management and administrative personnel, provisions for bad debts, rent, utilities, travel, business development efforts and back office administration such as financial services, insurance, administration, professional costs and clerical and administrative overhead.

Discontinued Operations

In March 2007, we declared our Canadian operations a discontinued operation due to our decision to sell this operation. Accordingly, results of operations for all periods presented of our Canadian operations have been classified as discontinued operations and all financial information for all periods presented reflects these operations as discontinued operations. On April 10, 2007, we sold substantially all of our Canadian assets and liabilities. See Note 7 in Part I. Item 1. Financial Statements.

In December 2005, we declared our state Department of Transportation related projects and assets a discontinued operation due to our decision to sell substantially all these projects and assets. Accordingly, results of operations for all periods presented of substantially all of our state Department of Transportation related projects and assets have been classified as discontinued operations and all financial information for all periods presented reflects these operations as discontinued operations. On February 14, 2007, we sold our state Department of Transportation related projects and net assets. See Note 7 in Part I. Item 1. Financial Statements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in our financial statements and the accompanying notes. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, allowance for doubtful accounts, intangible assets, reserves and accruals, impairment of assets, income taxes, insurance reserves and litigation and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. As management estimates, by their nature, involve judgment regarding future uncertainties, actual results may differ materially from these estimates. Refer to Note 3 to our condensed consolidated financial statements of this Quarterly Report on Form 10-Q and to our most recent Annual Report on Form 10-K for further information regarding our critical accounting policies and estimates.

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Litigation and Contingencies

Litigation and contingencies are reflected in our condensed unaudited consolidated financial statements based on our assessments of the expected outcome. If the final outcome of any litigation or contingencies differs significantly from our current expectations, a charge to earnings could result. See Note 8 to our condensed unaudited consolidated financial statements in Part I. Item 1. and Part II. Item 1. to this Form 10-Q for updates to our description of legal proceedings and commitments and contingencies.

Results of Operations

Comparison of Quarterly Results

The following table reflects our consolidated results of operations in dollar and percentage of revenue terms for the periods indicated. This table includes the reclassification for the three months and nine months ended September 30, 2006 of the net loss for our Canadian operations to discontinued operations from the prior period presentation (in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2007		2006		2007		2006	
Revenue	$266,864	100.0%	$252,236	100.0%	$764,144	100.0%	$700,360	100.0%
Costs of revenue, excluding depreciation	230,867	86.5%	213,293	84.6%	655,215	85.7%	600,748	85.8%
Depreciation	4,283	1.6%	3,668	1.5%	12,145	1.6%	10,638	1.5%
General and administrative expenses	55,865	20.9%	20,892	8.3%	95,347	12.5%	54,017	7.7%
Interest expense, net of interest income	2,220	0.8%	2,180	0.9%	7,136	0.9%	8,037	1.1%
Other income, net	228	0.1%	3,097	1.2%	4,284	0.6%	4,991	0.7%
Income (loss) from continuing operations before minority interest	(26,143)	(9.8)%	15,300	6.1%	(1,415)	(0.2)%	31,911	4.6%
Minority interest	(597)	(0.2)%	(986)	(0.4)%	(2,249)	(0.3)%	(1,180)	(0.2)%
Income (loss) from continuing operations	(26,740)	(10.0)%	14,314	5.7%	(3,664)	(0.5)%	30,731	4.4%
Loss from discontinued operations	(5,416)	(2.0)%	(21,936)	(8.7)%	(10,922)	(1.4)%	(66,234)	(9.5)%
Net loss	$ (32,156)	(12.0)%	$ (7,622)	(3.0)%	$ (14,586)	(1.9)%	$ (35,503)	(5.1)%

Three Months Ended September 30, 2007 Compared to Three Months Ended September 30, 2006

Revenue. Our revenue was $266.9 million for the three months ended September 30, 2007, compared to $252.2 million for the same period in 2006, representing an increase of $14.6 million or 5.8%. This increase was due to increased revenue of approximately $25.5 million from DIRECTV®. The DIRECTV® increase was primarily due to subscriber activations from the February 2007 DirectStar acquisition and, in part, to changes in work order mix and an overall increase in work orders. This increase in revenue was partially offset by decreases in revenue of $4.3 million from AT&T (including the former BellSouth), $2.9 million from Florida Power & Light and $2.8 million from TXU.

Costs of Revenue. Our costs of revenue were $230.9 million or 86.5% of revenue for the three months ended September 30, 2007, compared to $213.3 million or 84.6% of revenue for the same period in 2006. The $17.6 million increase in costs of revenue is primarily associated with the increase in revenue discussed above. The decrease in operating margin is mainly attributed to an increase in variable subscriber activation costs, to 2.9% of revenue, in connection with higher DIRECTV® subscriber activations and an increase in materials costs from 13.5% of revenue in the quarter ended September 30, 2006 to 14.2% of revenue in the same period in 2007, due to changes in sales mix. These increases in costs of revenue as a percent of sales were offset by a decrease in payroll and contract labor costs as a percent of revenue from 52.9% in the three months ended September 30, 2006 to 51.7% in the same period in 2007. This decrease in total payroll and contract labor costs as a percentage of revenue was driven by a decrease in payroll and contract labor costs, as a percentage of revenue, of 2.8%, related to businesses other than our install to the home business. Our install to the home business had an increase, as a percent of revenue, of 1.6%. This increase of approximately $7.0 million was in large part due to the recruiting and training of approximately 1,700 technicians during the three months ended September 30, 2007.

Depreciation. Depreciation was $4.3 million for the three months ended September 30, 2007, compared to $3.7 million for the same period in 2006, representing an increase of $0.6 million. The increase in depreciation expense in the three months ended September 30, 2007 was due primarily to our increase in capital expenditures resulting from our entering into additional capital leases for our fleet requirements. As a percentage of revenue, depreciation expense was relatively consistent over both periods, representing 1.6% of revenue in the three months ended September 30, 2007 and 1.5% of revenue in the three months ended September 30, 2006.

General and administrative expenses. General and administrative expenses were $55.9 million or 20.9% of revenue for the three months ended September 30, 2007, compared to $20.9 million or 8.3% of revenue for the same period in 2006, representing an increase of $35.0 million. Included in general and administrative expenses during the three month period ended September 30, 2007 is approximately $38.4 million of expenses related to the actual or expected settlement of legal cases, disputes, and other contingencies, including litigation or other disputes involving accounts receivable. As discussed in Note 8 to our condensed unaudited consolidated financial statements in Part I. Item 1 of this Form 10-Q, in the third quarter of 2007, our senior management performed a reassessment of our major legal cases and other disputes and decided to accelerate the closure of a number of these disputes. In part, this decision was driven by a desire to reduce the high levels of legal expense we have incurred in recent years. From the period January 1, 2006 to September 30, 2007, we incurred over $18.5 million for outside legal fees and other costs related to litigation. We believe our current business activities are generating less litigation than in the past, and expect that as we resolve our older legal cases and other disputes we will realize lower levels of expense in future periods for outside legal fees related to litigation. In addition, we believe the resolution of these matters will allow management to focus increased attention on operations.

As discussed in Note 8, in October 2007 we reached settlement on a Fair Labor Standards Act (“FLSA”) collective action against MasTec. We expect the total liability related to this settlement will approximate $9.6 million. We had accrued $0.6 million in the three months ended September 30, 2006 and accrued the remaining $9.0 million of the estimated settlement cost in the quarter ended September 30, 2007. In total, in the third quarter of 2007, we accrued $38.4 million of expenses related to the actual or expected settlement of legal cases, disputes, and other contingencies, including litigation or other disputes involving accounts receivable. Included in this amount was $23.3 million in connection with settlement or anticipated settlement of legal cases and other disputes that relate to the years 2005 and earlier. We also accrued $12.5 million of bad debt expense in connection with anticipated settlement of accounts receivable which we had been litigating or otherwise aggressively pursuing collection of, and which also are related to the years 2005 and earlier. We recorded $2.4 million of bad debt expense in connection with accounts receivable related to work extending into 2006 and beyond, and $0.2 million in connection with asset write-downs.

Somewhat offsetting the impact of these legal and collection matters on general and administrative expense was a decrease in non-cash stock compensation to $1.1 million during the three months ended September 30, 2007 from $2.2 million during the comparable period of 2006. This reduction in compensation expense is mainly the result of a reduction in stock compensation granted during 2007. In addition, legal fees decreased $1.4 million in the three months ended September 30, 2007 compared to the same period in 2006, consistent with the strategy discussed above.

Excluding the impact of the $38.4 million of expense recorded in the quarter ended September 30, 2007 related to the actual or expected settlement of legal cases, disputes, and other contingencies, including litigation or other disputes involving accounts receivable, general and administrative expense would have amounted to $17.5 million, or 6.5% of revenue, in the three months ended September 30, 2007, as compared to the $20.9 million, or 8.3% of revenue noted above for the three months ended September 30, 2006.

Interest expense, net. Interest expense, net of interest income was $2.2 million or 0.8% of revenue for the three months ended September 30, 2007, compared to $2.2 million or 0.9% of revenue for the same period in 2006 representing a slight decrease as a percentage of revenue from the comparable period in 2006. The decrease was due in part to higher interest income, which increased from $1.0 million in third quarter of 2006 to $1.7 million in third quarter of 2007, largely due to higher outstanding cash balances. We also experienced a $0.7 million increase in interest expense resulting from an increase in average long term debt outstanding in the three months ended September 30, 2007 as compared to the same period in 2006.

Other income (expense), net. Other income, net was $0.2 million for the three months ended September 30, 2007, compared to $3.1 million in the three months ended September 30, 2006, representing a decrease of $2.9 million. The decrease is mainly attributed to approximately $2.0 million recognized during the three months ended September 30, 2006 on our equity income related to our previously owned 49% interest in an equity-method investment. As discussed in Note 3 and Note 4 to our condensed unaudited consolidated financial statements in Part I. Item 1 of this Form 10-Q, effective February 1, 2007, we acquired the remaining 51% interest and consolidated the results of this entity. As such, beginning February 1, 2007, there is no equity income recorded for this investment as their results of operations are consolidated within our own. In addition, we experienced lower gains on the sale of fixed assets by approximately $0.7 million during the three months ended September 30, 2007 compared to the three month period ended September 30, 2006.

Minority interest. Minority interest for GlobeTec Construction, LLC ("GlobeTec") resulted in a charge of $0.6 million for the three months ended September 30, 2007, compared to a charge of $1.0 million for the same period in 2006, representing a decrease in minority interest charge of $0.4 million as a result of lower net income in the three months ended September 30, 2007 compared to the same period in 2006. In addition, as a result of our increase in ownership interest in GlobeTec during the three month period ended September 30, 2007, the minority interest charge decreased as compared to the same period in 2006.

Discontinued operations. The loss on discontinued operations, which includes our Brazilian operations, our network services operations, our state Department of Transportation related projects and assets, as well as our Canadian operations, was $5.4 million for the three months ended September 30, 2007 compared to a loss of $21.9 million for the three months ended September 30, 2006. The net loss for our state Department of Transportation related projects and assets amounted to $5.3 million for the three months ended September 30, 2007 compared to a net loss of $21.9 million for the three months ended September 30, 2006. The net loss during the three month period ended September 30, 2007 is primarily related to the estimated settlement agreement with the buyer of the state Department of Transportation projects and related assets. In November 2007, we are negotiating towards a settlement with the buyers of our state Department of Transportation projects and assets, who had raised certain warranty and similar claims primarily relating to work we had performed on projects which the buyers purchased. Under the current terms of the negotiation, MasTec will pay $4.5 million in cash and obtain a release from nearly all obligations, including warranty and other indemnifications, related to the projects and assets sold. MasTec recorded an accrual of $4.5 million, which is reflected in our loss from operations in the accompanying consolidated statements of operations, during the three months ended September 30, 2007 in connection with this negotiation. In addition, we recorded the estimated settlement of certain insurance claims during the quarter ended September 30, 2007. Effective February 1, 2007, we sold our state Department of Transportation related projects and underlying assets. Therefore, the results of operations for our state Department of Transportation related projects and assets during the three month period ended September 30, 2006 are included as a component of discontinued operations while there was no effect during the three months during the comparable period in 2007. In addition, the net loss attributed to our Canadian operations was approximately $52,000 during the three month period ended September 30, 2007 compared to $0.1 million during the three month period ended September 30, 2006. In our other discontinued operations, during the three months ended September 30, 2007 we had a net loss of approximately $50,000 compared to a net loss of $19,000 during the comparable period in 2006.

Nine months Ended September 30, 2007 Compared to Nine months Ended September 30, 2006

Revenue. Our revenue was $764.1 million for the nine months ended September 30, 2007, compared to $700.4 million for the same period in 2006, representing an increase of $63.8 million or 9.1%. This increase was due to increased revenue of approximately $83.4 million from DIRECTV®. The DIRECTV® increase was primarily due to subscriber activations from the February 2007 DirectStar acquisition and, also, an increase in the number of DIRECTV® work orders. Revenue also increased due to higher revenue of $17.3 million from Verizon due to a higher volume of work orders. In addition, revenue related to projects for the South Florida Water Management District increased by $5.8 million to $13.8 million as we received increased work volume from this customer. Revenue from the City of Fort Lauderdale increased by $6.4 million from $0.6 million during the nine months ended September 30, 2006 to $7.0 million during the nine month period ended September 30, 2007. These increases in revenue were partially offset by a decrease in revenue of $27.9 million from AT&T (including the former BellSouth), $9.8 million from Florida Power & Light, $5.0 million from TXU, $3.0 million from Qwest Communications and $3.0 million from Progress Energy.

Costs of Revenue. Our costs of revenue were $655.2 million or 85.7% of revenue for the nine months ended September 30, 2007, compared to $600.7 million or 85.8% of revenue for the same period in 2006. The $54.5 million increase in costs of revenue is mainly associated with the increase in revenue during the nine months ended September 30, 2007 compared to the same period in 2006. Operating margin in the period was impacted by an increase in variable subscriber activation costs to 3% of revenue in the nine months ended September 30, 2007, in connection with higher DIRECTV® subscriber activation. Offsetting this increase was a decrease in payroll and contract labor costs as a percentage of revenue, from 54.2% to 52.0% in the nine month period ended September 30, 2007 as compared to the same period in 2006. This decrease in total payroll and contract labor costs as a percentage of revenue was driven by a decrease in payroll and contract labor costs, as a percentage of revenue, of 3.5%, related to businesses other than our install to the home business. Our install to the home business had an increase in payroll costs as a percent of revenue of 1.3%. This increase was in part due to the recruiting and training of approximately 1,700 technicians during the third quarter of 2007.

Depreciation. Depreciation was $12.1 million for the nine months ended September 30, 2007, compared to $10.6 million for the same period in 2006, representing an increase of $1.5 million. The increase in depreciation expense in the nine months ended September 30, 2007 was due primarily to our increase in capital expenditures resulting from our entering into capital leases for our fleet requirements. As a percentage of revenue, depreciation expense was relatively consistent over both periods, representing 1.6% of revenue in the nine months ended September 30, 2007 compared to 1.5% of revenue during the nine month period ended September 30, 2006.

General and administrative expenses. General and administrative expenses were $95.3 million or 12.5% of revenue for the nine months ended September 30, 2007, compared to $54.0 million or 7.7% of revenue for the same period in 2006, representing an increase of $41.3 million. Included in general and administrative expenses during the nine month period ended September 30, 2007 is approximately $38.4 million of expenses recorded in the third quarter of 2007 related to the actual or expected settlement of legal cases, disputes, and other contingencies, including litigation or other disputes involving accounts receivable. As discussed in Note 8 to our condensed unaudited consolidated financial statements in Part I. Item 1 of this Form 10-Q, in the third quarter of 2007, our senior management performed a reassessment of our major legal cases and other disputes and decided to accelerate the closure of a number of these disputes. In part, this decision was driven by a desire to reduce the high levels of legal expense we have incurred in recent years. From the period January 1, 2006 to September 30, 2007, we incurred over $18.5 million for outside legal fees and other costs related to litigation. We believe our current business activities are generating less litigation than in the past, and expect that as we resolve our older legal cases and other disputes we will realize lower levels of expense in future periods for outside legal fees related to litigation.

As discussed in Note 8, in October 2007 we reached settlement on a Fair Labor Standards Act (“FLSA”) collective action against MasTec. We expect the total liability related to this settlement will approximate $9.6 million. We had accrued $0.6 million in the three months ended September 30, 2006 and accrued the remaining $9.0 million of the estimated settlement cost in the quarter ended September 30, 2007. In total, in the third quarter of 2007, we accrued $38.4 million of expenses related to the actual or expected settlement of legal cases, disputes, and other contingencies, including litigation or other disputes involving accounts receivable. Included in this amount was $23.3 million in connection with settlement or anticipated settlement of legal cases and other disputes that relate to the years 2005 and earlier. We also accrued $12.5 million of bad debt expense in connection with anticipated settlement of accounts receivable which we had been litigating or otherwise aggressively pursuing collection of, and which also are related to the years 2005 and sooner. We recorded $2.4 million of bad debt expense in connection with accounts receivable related to work extending into 2006 and beyond, and $0.2 million in connection with asset write-downs.

In addition to these costs, $4.6 million of the increase in general and administrative expenses in the nine months ended September 30, 2007 is due to an increase in compensation costs in the nine months ended September 30, 2007 as compared to the nine months ended September 30, 2006, due in part to higher staffing levels associated with higher levels of business activity, including our acquisition of DirectStar in February 2007. Somewhat offsetting the impact of these increases in general and administrative expense was a decrease in non-cash stock compensation of $0.8 million, from $5.4 million in the nine months ended September 30, 2006 to $4.6 million in the same period in 2007. This reduction in compensation expense is mainly the result of a reduction in stock compensation granted during 2007.

Excluding the impact of the $38.4 million of expense recorded in the quarter ended September 30, 2007 related to the actual or expected settlement of legal cases, disputes, and other contingencies, including litigation or other disputes involving accounts receivable, general and administrative expense for the nine months ended September 30, 2007 would have amounted to $56.9 million, or 7.5% of revenue, in the nine months ended September 30, 2007, as compared to the $54.0 million, or 7.7% of revenue, noted above for the nine months ended September 30, 2006.

Interest expense, net. Interest expense, net of interest income was $7.1 million or 0.9% of revenue for the nine months ended September 30, 2007, compared to $8.0 million for the same period in 2006, representing a decrease of approximately $0.9 million. The decrease was due in part to higher interest income, which increased from $3.3 million in the nine months ended September 30, 2006 to $5.3 million in comparable period of 2007, largely due to higher outstanding cash balances. Offsetting this increase in interest income was an increase of $1.1 million in interest expense resulting from an increase in average long term debt outstanding in the nine months ended September 30, 2007 as compared to the same period in 2006.

Other income (expense), net. Other income, net was $4.3 million for the nine months ended September 30, 2007, compared to $5.0 million in the nine months ended September 30, 2006, representing a decrease of $0.7 million. This decrease is largely due to a decrease of $3.6 million in the amount of equity income recognized during the nine months ended September 30, 2007 from our interest in an equity-method investment. As discussed in Note 3 and Note 4 to our condensed unaudited consolidated financial statements in Part I. Item 1. Financial Statements to this Form 10-Q, effective February 1, 2007, we acquired the remaining 51% interest and consolidated the results of this company. As such, beginning February 1, 2007, there is no equity income recorded for this entity as their results of operations are consolidated whereas in the nine months ended September 30, 2006 we recorded $3.6 million in equity income. The decrease on other income is partially offset by an increase of $2.6 million on the sale of property and equipment, which increased to $3.9 million in the nine months ended September 30, 2007. $2.5 million of this increase is due to the sale of property discussed in Note 10 to our condensed unaudited consolidated financial statements in Part I. Item 1. Financial Statements to this Form 10-Q.

Minority interest. Minority interest for GlobeTec resulted in a charge of $2.2 million for the nine months ended September 30, 2007, compared to $1.2 million for the same period in 2006, representing an increase in minority interest charge of $1.1 million as a result of higher net income in the nine months ended September 30, 2007 compared to the same period in 2006.

Discontinued operations. The loss on discontinued operations, which includes our Brazilian operations, our network services operations, our state Department of Transportation related projects and assets, as well as our Canadian operations was, $10.9 million for the nine months ended September 30, 2007 compared to a loss of $66.2 million for the nine months ended September 30, 2006. The net loss for our state Department of Transportation related projects and assets amounted to $9.7 million for the nine months ended September 30, 2007 compared to a net loss of $65.2 million for the nine months ended September 30, 2006. Effective February 1, 2007, we sold our state Department of Transportation related projects and underlying assets. Therefore, the results of operations for our state Department of Transportation related projects and assets are only included for one month during the nine month period ended September 30, 2007 compared to nine months during the comparable period in 2006. In November 2007, we are negotiating towards a settlement with the buyers of our state Department of Transportation projects and assets, who had raised certain warranty and similar claims primarily relating to work we had performed on projects which the buyers purchased. Under the current terms of the negotiation, MasTec will pay $4.5 million in cash and obtain a release from nearly all obligations, including warranty and other indemnifications, related to the projects and assets sold. MasTec recorded an accrual of $4.5 million, which is reflected in our loss from operations in the accompanying consolidated statements of operations, during the nine months ended September 30, 2007 in connection with this negotiation. In addition, we recorded the estimated settlement of certain insurance claims in the nine months ended September 30, 2007. Furthermore, the loss from our state Department of Transportation related projects and assets, includes a loss of $2.9 million in connection with the execution of the sales agreement during the first quarter of 2007. In addition, the net loss attributed to our Canadian operations was $1.1 million during the nine month period ended September 30, 2007 compared to $0.8 million during the nine month period ended September 30, 2006. In our other discontinued operations, during the nine months ended September 30, 2007 we had a net loss of $41,000 compared to a net loss of $0.2 million during the comparable period in 2006.

Financial Condition, Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from continuing operations, availability under our credit facility, capital lease arrangements, and proceeds from sales of assets and investments. On January 31, 2007, we also issued $150.0 million of 7.625% senior notes due February 2017. On March 2, 2007, we used $121.8 million of the proceeds from the senior note offering to redeem all of our remaining 7.75% senior subordinated notes plus interest. The remaining net proceeds from the senior note offering will be used for working capital, possible acquisitions of assets and businesses and other general corporate purposes. On January 24, 2006, we completed a public offering of 14,375,000 shares of our common stock at $11.50 per share. The net proceeds from the sale were approximately $156.5 million after deducting underwriting discounts and offering expenses. On March 2, 2006, we used $75.5 million of the net proceeds of the public offering to redeem a portion of our 7.75% senior subordinated notes due February 2008, including the payment of related interest.

In February 2007, we used $15.0 million connection with the acquisition of the remaining 51% equity interest in an investment in which we previously owned a 49% interest. We used $18.5 million for the cash portion of the purchase price of substantially all of the assets and contracts of Digital Satellite Services, Inc., which we refer to as the DSSI acquisition. In October 2007, we used $8.0 million for the cash portion of the purchase price of Three Phase Line Construction, Inc.

Our primary liquidity needs are for working capital, capital expenditures, insurance collateral in the form of cash and letters of credit, equity investment and earn out obligations and debt service. In January 2006, our lenders issued a $6.5 million letter of credit to our insurance carrier related to our 2006 insurance plans. In November 2006, our lenders issued an $18.0 million letter of credit to our insurance carrier related to our current insurance plans simultaneously with the insurance carrier returning cash collateral of $18.0 million plus all accrued interest to us. Following the January 2007 issuance of the $150.0 million senior notes due 2017, our semi-annual interest payments have been increased to approximately $5.7 million for the senior notes from approximately $4.7 million. In addition to ordinary course working capital requirements, we estimate that we will spend between $20.0 million to $40.0 million per year on capital expenditures. We will, however, because of our improved financial condition, continue to evaluate lease versus buy decisions to meet our equipment needs and based on this evaluation, our capital expenditures may increase from this estimate in the future. We expect to continue to sell older vehicles and equipment as we upgrade with new equipment and we expect to obtain proceeds from these sales. In addition, in connection with certain acquisitions including the DSSI acquisition and our acquisition of the remaining 51% equity interest in our equity investment described below, we have agreed to pay the sellers certain equity investment and earn out obligations which are generally based on the future performance of the investment or acquired business.

Through the nine months ended September 30, 2007, we paid approximately $3.0 million for earn-out obligations in connection with acquisitions we have made.

As discussed above, effective February 1, 2007, we acquired the remaining 51% equity interest in an investment in which we had previously owned 49%. We paid the seller $8.65 million in cash, in addition to approximately $6.35 million which we also paid at that time to discharge our remaining obligations to the seller under the purchase agreement for the original 49% equity interest. We also issued to the seller 300,000 shares of our common stock. We agreed to pay the seller an earn-out through the eighth anniversary of the closing date based on the future performance of the acquired entity. In connection with the purchase, we entered into a service agreement with the sellers to manage the business. Under certain circumstances, including a change of control of MasTec or the acquired entity or in certain cases a termination of the service agreement, the remaining earn out payments will be accelerated and become payable. Under the purchase agreement, we may be required to invest up to an additional $3.0 million in this entity.

We need working capital to support seasonal variations in our business, primarily due to the impact of weather conditions on external construction and maintenance work, including storm restoration work, and the corresponding spending by our customers on their annual capital expenditure budgets. Our business is typically slower in the first and fourth quarters of each calendar year and stronger in the second and third quarters. Accordingly, we generally experience seasonal working capital needs from approximately April through September to support growth in unbilled revenue and accounts receivable, and to a lesser extent, inventory. Our billing terms are generally net 30 to 60 days, although some contracts allow our customers to retain a portion (from 2% to 15%) of the contract amount until the contract is completed to their satisfaction. We maintain inventory to meet the material requirements of some of our contracts. Some of our customers pay us in advance for a portion of the materials we purchase for their projects, or allow us to pre-bill them for materials purchases up to a specified amount.

Our vendors generally offer us terms ranging from 30 to 90 days. Our agreements with subcontractors usually contain a “pay-when-paid” provision, whereby our payments to subcontractors are made only after we are paid by our customers.

We anticipate that funds generated from continuing operations, the net proceeds from our senior note offering completed in the first quarter of 2007, borrowings under our credit facility, and proceeds from sales of assets and investments will be sufficient to meet our working capital requirements, anticipated capital expenditures, insurance collateral requirements, equity investment and earn-out obligations, letters of credit and debt service obligations for at least the next twelve months.

As of September 30, 2007, we had $175.7 million in working capital compared to $164.0 million as of December 31, 2006. We define working capital as current assets less current liabilities. Cash and cash equivalents increased from $88.0 million at December 31, 2006 to $133.1 million at September 30, 2007 mainly due to net proceeds from our senior note offering.

Net cash provided by operating activities was $44.1 million for the nine months ended September 30, 2007 compared to $24.1 million for the nine months ended September 30, 2006. The net cash provided by operating activities in the nine months ended September 30, 2007 was primarily related to a decrease in the net loss during the period and business mix (including the disposition of our state Department of Transportation business), as well as, sources of cash from other assets and liabilities, inventory management and the timing of cash payments related to our accrued expenses. The net cash provided in operating activities during the nine months ended September 30, 2006 was primarily related to the timing of cash payments to vendors and sources of cash collections from customers, as well as the management of inventory and other assets.

Net cash used in investing activities was $31.0 million for the nine months ended September 30, 2007 compared to net cash used in investing activities of $36.9 million for the nine months ended September 30, 2006. Net cash used in investing activities during the nine months ended September 30, 2007 primarily related to $12.6 million used in connection with acquisitions made net of cash acquired and $20.5 million used for capital expenditures offset by $3.8 million in net proceeds from the sales of assets. Net cash used in investing activities during the nine months ended September 30, 2006 primarily related to cash payments made in connection with the DSSI acquisition of $19.4 million, capital expenditures in the amount of $16.2 million and payments related to our former equity investment in the amount of $3.8 million partially offset by $3.1 million in net proceeds from sales of assets.

Net cash provided by financing activities was $30.9 million for the nine months ended September 30, 2007 compared to $80.7 million for the nine months ended September 30, 2006. Net cash provided by financing activities in the nine months ended September 30, 2007 was mainly due to proceeds from the issuance of $150.0 million 7.625% senior notes in January 2007 and $9.0 million from the issuance of common stock pursuant to stock option exercises. These proceeds were partially offset by the redemption of $121.0 million 7.75% senior subordinated notes in February 2007 and $4.1 million in payments of financing costs. Net cash provided by financing activities in the nine months ended September 30, 2006 was primarily related to net proceeds from the issuance of common stock of $156.5 million and proceeds from the issuance of common stock pursuant to stock option exercises in the amount of $3.9 million partially offset by the redemption of $75.0 million principal on our senior subordinated notes and net payments of $4.0 million on borrowings.

Cash used in discontinued operations in the nine months ended September 30, 2007 was $8.3 million. This mainly consisted of $8.0 million in cash used in operating activities, mostly attributed to our net loss from these operations. As discussed in Note 7 to our condensed unaudited consolidated financial statements, on February 14, 2007 we sold our state Department of Transportation related projects and underlying net assets, and on April 10, 2007 we sold substantially all of our Canadian operations.

As discussed in Note 6 to our condensed unaudited consolidated financial statements in Part I. Item 1. Financial Statements to this Form 10-Q, we have a secured revolving credit facility for our operations which was amended and restated on July 31, 2007 with an effective date of June 30, 2007. The credit facility has a maximum amount of available borrowing of $150.0 million, subject to certain restrictions. If certain conditions under the Credit Facility are met, we may request that the maximum amount of available borrowing under the Credit Facility be increased from $150 million to $200 million. The costs related to this amendment were $0.2 million which are being amortized over the life of the credit facility. The credit facility expires on May 10, 2012. These deferred financing costs are included in prepaid expenses and other current assets and other assets in our consolidated balance sheet. On November 7, 2006, we amended our credit facility and provided our insurer with an $18 million letter of credit under the facility simultaneously with the insurer returning cash collateral of $18 million plus all accrued interest to us. As collateral for this letter of credit, we pledged $18 million to our lenders under the Credit Facility. This increase in the outstanding balance in letter of credit will not result in a reduction to our net availability under the credit facility as long as sufficient cash or collateral is granted to our lenders.

The amount that we can borrow at any given time is based upon a formula that takes into account, among other things, eligible billed and unbilled accounts receivable, equipment, real estate and eligible cash collateral, which can result in borrowing availability of less than the full amount of the credit facility. As of September 30, 2007 and December 31, 2006, net availability under the credit facility, as amended, totaled $35.9 million and $35.1 million, respectively, which included outstanding standby letters of credit aggregating $86.4 million and $83.3 million in each period, respectively. At September 30, 2007, $64.8 million of the outstanding letters of credit were issued to support our casualty and medical insurance requirements. These letters of credit mature at various dates and most have automatic renewal provisions subject to prior notice of cancellation. The credit facility is collateralized by a first priority security interest in substantially all of our assets and a pledge of the stock of certain of our operating subsidiaries. Substantially all wholly-owned subsidiaries collateralize the facility. At September 30, 2007 and December 31, 2006, we had no outstanding cash draws under the credit facility. Interest under the credit facility accrues at rates based, at our option, on the agent bank's base rate plus a margin of between 0.0% and 0.50%, or at the LIBOR rate (as defined in the credit facility) plus a margin of between 1.00% and 2.00%, depending on certain financial thresholds. Currently the margin we pay over LIBOR is 1.125%. The credit facility includes an unused facility fee of 0.25%.

If the net availability under the credit facility is under $15.0 million on any given day, we are required to be in compliance with a minimum fixed charge coverage ratio measured on a monthly basis and certain events are triggered. The $15.0 million availability trigger is subject to adjustment if the maximum amount we may borrow under the credit facility is adjusted. The fixed charge coverage ratio is generally defined to mean the ratio of our net income before interest expense, income tax expense, depreciation expense, and amortization expense minus net capital expenditures and cash taxes paid to the sum of all interest expense plus current maturities of debt for the period. The financial covenant was not applicable as of September 30, 2007, because at that time net availability under the credit facility, as amended, exceeded the required threshold specified above.

Based upon the amendments to the credit facility, our current availability, net proceeds from the sale of common stock, liquidity and projections for 2007, we believe we will be in compliance with the credit facility's terms and conditions and the minimum availability requirements for the remainder of 2007. We are dependent upon borrowings and letters of credit under this credit facility to fund operations. Should we be unable to comply with the terms and conditions of the credit facility, we would be required to obtain modifications to the credit facility or another source of financing to continue to operate. We may not be able to achieve our 2007 projections and this may adversely affect our ability to remain in compliance with the credit facility's minimum net availability requirements and minimum fixed charge ratio in the future.

Our variable rate credit facility exposes us to interest rate risk. However, we had no cash borrowings outstanding under the credit facility at September 30, 2007.

As of September 30, 2007, $150.0 million of our 7.625% senior notes due in February 2017, with interest due semi-annually were outstanding. The notes contain default (including cross-default) provisions and covenants restricting many of the same transactions as under our credit facility. The indenture which governs our senior notes allows us to incur the following additional indebtedness among others: the credit facility (up to $200 million), renewals to existing debt permitted under the indenture plus an additional $50 million of indebtedness, further indebtedness if our fixed charge coverage ratio is at least 2:1 for the four most recently ended fiscal quarters determined on a pro forma basis as if that additional debt has been incurred at the beginning of the period. In addition, the indenture prohibits incurring additional capital lease obligations in excess of 5% of our consolidated net assets at any time the senior notes remain outstanding. The definition of our fixed charge coverage ratio under the indenture is essentially equivalent to that under our credit facility.

Some of our contracts require us to provide performance and payment bonds, which we obtain from a surety company. If we were unable to meet our contractual obligations to a customer and the surety paid our customer the amount due under the bond, the surety would seek reimbursement of such payment from us. At September 30, 2007, the cost to complete on our $300.7 million performance and payment bonds was approximately $65.6 million.

New Accounting Pronouncements

See Note 11 to our condensed unaudited consolidated financial statements in Part I. Item 1. Financial Statements to this Form 10-Q for certain new accounting pronouncements.

Seasonality

Our operations are historically seasonally slower in the first and fourth quarters of the year. This seasonality is primarily the result of client budgetary constraints and preferences and the effect of winter weather on network activities. Some of our clients, particularly the incumbent local exchange carriers, tend to complete budgeted capital expenditures before the end of the year and defer additional expenditures until the following budget year.

Impact of Inflation

The primary inflationary factor affecting our operations is increased labor costs. We are also affected by changes in fuel costs which increased significantly in 2007 and 2006.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in interest rates and fluctuations in foreign currency exchange rates. Our variable rate credit facility exposes us to interest rate risk. However, we had no cash borrowings under the credit facility at September 30, 2007.

Interest Rate Risk

Less than 1% of our outstanding debt at September 30, 2007 was subject to variable interest rates. The remainder of our debt has fixed interest rates. Our fixed interest rate debt includes $150.0 million (face value) in senior notes. The carrying value and market value of our debt at September 30, 2007 was $145.7 million. Based upon debt balances outstanding at September 30, 2007, a 100 basis point (i.e., 1%) addition to our weighted average effective interest rate for variable rate debt would not have a material impact on our interest expense.

Foreign Currency Risk

We had an investment in a subsidiary in Canada and sold our services into this foreign market.

Our foreign net asset/exposure (defined as assets denominated in foreign currency less liabilities denominated in foreign currency) for Canada at September 30, 2007 of U.S. dollar equivalents was a net asset of $0.2 million as of September 30, 2007 compared to $1.7 million at December 31, 2006.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, we concluded that as of September 30, 2007, our disclosure controls and procedures are effective to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosures.

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Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to Note 8 to our consolidated financial statements of this Quarterly Report on Form 10-Q for a discussion of any recent material developments related to our legal proceedings since the filing of our most recent Annual Report on Form 10-K as updated by our subsequent Quarterly Reports on Form 10-Q.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes to any of the risk factors disclosed in our most recently filed Annual Report on Form 10-K.

We have agreed to keep certain liabilities related to the state of Department of Transportation related projects and assets that were sold in February 2007.

In connection with the sale of our state Department of Transportation related projects and assets, we agreed to keep certain related liabilities, including certain litigation and the cost to maintain and continue certain performance and payment bonds. At September 30, 2007, the cost to complete on the $163.4 million in performance and repayment bonds related to these projects and assets was $13.4 million. While the buyer of the state Department of Transportation related projects has indemnified us for all contracts and liabilities sold and has agreed to issue a standby letter of credit in our favor in February 2008 to cover any remaining exposure, if the buyer were unable to meet its contractual obligations to a customer and the surety paid the amount due under the bond, the surety would seek reimbursement of such payment from us. Accordingly, it is possible that we may incur losses in the future related to these retained liabilities.

We derive a significant portion of our revenue from a few customers, and the loss of one of these customers or a reduction in their demand, the amount they pay or their ability to pay, for our services could impair our financial performance.

In the three months ended September 30, 2007, we derived approximately 44.2% and 8.3% of our revenue from DIRECTV® and Verizon, respectively. During the nine month period ended September 30, 2007, we derived approximately 44.2% and 9.7% of our revenue from DIRECTV® and Verizon, respectively. Because our business is concentrated among relatively few major customers, our revenue could significantly decline if we lose one or more of these customers or if the amount of business from any of these customer reduces significantly, which could result in reduced profitability and liquidity.

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

On October 2, 2007, we acquired all of the outstanding shares of capital stock of Three Phase Line Construction, Inc., a company involved in the construction and maintenance of transmission and distribution utility systems, for a purchase price of $8.0 million in cash, subject to adjustment, and an earn-out based on future performance of the acquired entity. We may, at our option, issue shares of our common stock to the sellers of Three Phase Line Construction, Inc. in connection with the earn-out for this acquisition. We have offered to potentially issue these shares to the sellers in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.55*	Stipulation and Settlement Agreement dated October 22, 2007.
31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 *	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Exhibits filed with this Form 10-Q.

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SIGNATURES

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.

MASTEC, INC.

Date: November 6, 2007

/s/ Jose R. Mas
Jose R. Mas
President and Chief Executive Officer
(Principal Executive Officer)

/s/ C. Robert Campbell
C. Robert Campbell
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 10.55

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

JAMES STAHL, JOSE A. GONZALEZ,
LEONIDES GONZALEZ, ART FULFORD,
JOHN S. MILLER, CARL SHANE,
HECTOR CUMBALAZA, CARLOS
INCLAN, GARY CAMERON, HECTOR
VASQUEZ, JERRY THOMPSON, KENNETH
WILLIS, RICHARD HAMILTON, KEITH SIMPSON,
ROBERT ROWLAND, BRADLEY COLLINS,
EDDIE ARMOUR, BRANDON PARISH,
JERMAINE DAVENPORT, HOLLIS JOHNS, and
JEFFREY SATALTA, individually and on behalf of others
similarly situated,

Plaintiffs,

v.

Civil Case No. 8:05-CV-01265-JDW-TGW
COLLECTIVE AND CLASS ACTION

MASTEC, INC., and MASTEC NORTH
AMERICA, INC. d/b/a ADVANCED
TECHNOLOGIES,

Defendants.

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STIPULATION AND SETTLEMENT AGREEMENT

James Stahl, Jose A. Gonzalez, Leonides Gonzalez, Art Fulford, John S. Miller, Carl Shane, Hector Cumbalaza, Carlos Inclan, Gary Cameron, Hector Vasquez, Jerry Thompson, Kenneth Willis, Richard Hamilton, Keith Simpson, Robert Rowland, Bradley Collins, Eddie Armour, Brandon Parish, Jermaine Davenport, Hollis Johns and Jeffrey Satala (“PLAINTIFFS”), individually and on behalf of the classes described below (hereinafter referred to collectively as “SETTLEMENT CLASSES”), MasTec, Inc. and MasTec North America, Inc. d/b/a Advanced Technologies (“Defendants” or “MASTEC”), (collectively, the “PARTIES”), and their respective counsel of record enter

into this Stipulation and Settlement Agreement (“SETTLEMENT AGREEMENT”) conditioned upon entry by the COURT of a FINAL ORDER and judgment approving the SETTLEMENT AGREEMENT and dismissing with prejudice all claims encompassed by the SETTLEMENT AGREEMENT.

I. RECITALS AND BACKGROUND

A. On July 7, 2005, PLAINTIFFS James Stahl, Jose A. Gonzalez, Leonides Gonzalez, Art Fulford, John S. Miller, Carl Shane, Hector Cumbalaza, Carlos Inclan, Gary Cameron, Hector Vasquez and Jerry Thompson filed a collective action complaint in the Middle District of Florida, Tampa Division, asserting violations of the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq*. (“FLSA”) on behalf of themselves and other satellite service and repair technicians who were employed in MASTEC’s Advanced Technologies Division as apprentice technicians, technicians or lead technicians and who performed satellite system installations, repairs or service for DirecTV and its customers (hereinafter referred to as “SSTs”) against MasTec, Inc. Dkt. 1. The Complaint alleged MASTEC failed to pay SSTs for all hours worked over forty in a work week for the benefit of MASTEC as required under the FLSA. Dkt. 1. The Complaint sought relief for minimum wage and overtime compensation, in addition to liquidated damages, pre-judgment interest, reasonable attorney’s fees and costs.

B. On August 11, 2005, MasTec, Inc. filed an Answer to the Complaint disputing the material allegations both as to fact and law and denying any liability to the PLAINTIFFS or any member of the proposed SETTLEMENT CLASSES as defined further in this SETTLEMENT AGREEMENT. Dkt. 4. In that Answer, MasTec, Inc. identified MasTec North America, Inc. as the appropriate employer of the PLAINTIFFS.

C. On September 16, 2005, based on a joint motion filed by the PARTIES, the COURT stayed the LITIGATION of this case and permitted the PARTIES to conduct early mediation before an experienced class action mediator, Hunter R. Hughes, III, Esquire. *See*, Dkt. 38. During the next twelve months, the PARTIES exchanged extensive amounts of information and documents, conducted a significant investigation and undertook detailed legal and factual analyses of the claims and defenses. The information exchanged by the PARTIES included numerous declarations, payroll records, daily time sheets, call center data showing the time that the technicians called in to report the completion of the last job of the day, and work orders showing the jobs performed by the SSTs and individuals who were employed by MASTEC'S Broadband Division in California and were responsible for residential consumer cable installations, repairs, or servicing (hereinafter referred to as "RCTs"). The PARTIES also conducted interviews of each other's witnesses in order to create a detailed individualized damage model for all putative class members. The PARTIES conducted four days of face to face mediation and negotiations and numerous telephonic negotiations. After extensive arms-length bargaining, the PARTIES entered into this proposed SETTLEMENT AGREEMENT. The PARTIES enter into this SETTLEMENT AGREEMENT to resolve all claims by PLAINTIFFS and members of the SETTLEMENT CLASSES as defined in this SETTLEMENT AGREEMENT that they have or may have against Defendants, to avoid the uncertainties of going forward with class certification, summary judgment, trial or risks of appeal, to avoid further expenses, inconveniences and the distractions of burdensome and protracted litigation; and to obtain the covenants, releases, orders and judgments contemplated by this SETTLEMENT AGREEMENT and in order to achieve

what the PARTIES believe is a fair, reasonable, adequate and final resolution of the claims being settled as set forth herein.

D. Through this SETTLEMENT AGREEMENT and for settlement purposes only, the PARTIES stipulate to the filing of Plaintiffs' First Amended Complaint adding the claims of PLAINTIFFS Kenneth Willis, Richard Hamilton, Keith Simpson, Robert Rowland, Bradley Collins, Eddie Armour, Brandon Parish, Jermaine Davenport, Hollis Johns and Jeffrey Satala and Defendant MasTec North America, Inc. d/b/a Advanced Technologies as PARTIES. In addition to the claims of SSTs, the First Amended Complaint asserts claims on behalf of RCTs. A copy of the Plaintiffs' First Amended Complaint is attached hereto as Exhibit 1. Following the filing of Plaintiffs' First Amended Complaint, Defendants will answer the First Amended Complaint, dispute the material allegations both as to fact and law and deny any liability to the PLAINTIFFS or any member of the SETTLEMENT CLASSES.

E. In Plaintiffs' First Amended Complaint, the PLAINTIFFS assert on behalf of themselves and all SSTs and RCTs that MASTEC has failed to pay wages, including claims regarding overtime, minimum wage, missed meal, rest and break periods, travel time, deductions, charge backs, penalties, fines, interest, quantum meruit, unjust enrichment, failure to reimburse for business-related expenses, failure to maintain records, failure to furnish wage records, waiting time violations, unfair competition, failure to enforce company payroll policies, and any claims that could be brought by SSTs or RCTs alleging MASTEC retaliated against them for complaining about their wages or for asserting wage-related claims defined in this paragraph and any other claims of any kind related to Defendants' alleged failure to pay wages to SSTs and/or RCTs.

F. For purposes of settlement only, the PARTIES seek the certification of the following OPT-OUT SETTLEMENT CLASSES pursuant to Rule 23 of the Federal Rule of Civil Procedure: (a) The “SST STATE LAW CLASS” which refers to any and all persons employed by MASTEC as SSTs at any time during the period from January 1, 2004 through and including September 28, 2007 in Florida, Georgia, Maryland, New Jersey, New Mexico, North Carolina, South Carolina, Texas and Virginia; and (b) the “RCT STATE LAW CLASS” which refers to any and all persons employed by MASTEC’S Broadband Division in California as RCTs responsible for residential consumer cable installations, repairs, or servicing at any time from October 10, 2001 through and including December 31, 2005.

G. For purposes of settlement only, the PARTIES also seek conditional certification of an opt-in SETTLEMENT CLASS pursuant to Section 216(b) of the FLSA. The “FLSA CLASS” refers to: (a) any and all persons employed by MASTEC as SSTs at any time during the period from January 1, 2004 through and including September 28, 2007; and (b) any and all persons employed by MASTEC’S Broadband Division in California as RCTs responsible for residential consumer cable installations, repairs or servicing at any time during the period from January 1, 2004 through and including December 31, 2005.

H. CLASS COUNSEL has conducted a thorough investigation of the claims against MASTEC of PLAINTIFFS and potential members of SETTLEMENT CLASSES sought to be certified under this SETTLEMENT AGREEMENT, including interviewing hundreds of SSTs and RCTs; reviewing voluminous documents, including daily logs, payroll documentation, and call center data; and interviewing MASTEC’S managers and

executives. Based on their independent investigation and evaluation, CLASS COUNSEL believe that the settlement with Defendants for the consideration and on the terms set forth in this SETTLEMENT AGREEMENT is fair, reasonable, and adequate, and is in the best interest of all PLAINTIFFS and potential members of the SETTLEMENT CLASSES in light of all known facts and circumstances, including the risk of delay, defenses asserted by MASTEC including the overtime exemption under the Motor Carrier Act, and numerous appellate issues.

I. Defendants expressly deny any liability or wrongdoing of any kind associated with the claims in the LITIGATION and Plaintiffs' First Amended Complaint. Defendants contend they have complied with applicable federal and state law at all times. By entering into the SETTLEMENT AGREEMENT, MASTEC does not admit any liability or wrongdoing and expressly denies the same; it is expressly understood and agreed that the SETTLEMENT AGREEMENT is being entered into by MASTEC solely for the purpose of avoiding the costs and disruption of ongoing litigation and to settle all outstanding claims. Nothing in the SETTLEMENT AGREEMENT, settlement proposals exchanged by the PARTIES or any motions filed or Orders entered pursuant to the SETTLEMENT AGREEMENT, is to be construed or deemed as an admission by Defendants of any liability, culpability, negligence, or wrongdoing, and the SETTLEMENT AGREEMENT, each of its provisions, its execution, and its implementation, including any motions filed or Orders entered, shall not in any respect be construed as, offered, or deemed admissible in any arbitration or legal proceedings for any purpose except in an action or proceeding to approve, interpret, or enforce the SETTLEMENT AGREEMENT. Furthermore, neither the SETTLEMENT

AGREEMENT, any motions filed, settlement proposals exchanged by the PARTIES or Orders entered pursuant to the SETTLEMENT AGREEMENT, nor any class certification pursuant to the SETTLEMENT AGREEMENT shall constitute an admission, finding, or evidence that any requirement for class certification has been satisfied in the LITIGATION or any other action, except for the limited settlement purposes pursuant to the terms of the SETTLEMENT AGREEMENT. Pursuant to California Evidence Code Sections 1152 and 1154, this SETTLEMENT AGREEMENT shall be inadmissible in evidence in any proceeding, except as necessary to approve, interpret or enforce this SETTLEMENT AGREEMENT.

J. This SETTLEMENT AGREEMENT shall automatically terminate, and the SETTLEMENT CLASSES certification shall automatically be cancelled if this SETTLEMENT AGREEMENT is terminated pursuant to Paragraph X in which event this SETTLEMENT AGREEMENT shall not be offered, received or construed as an admission of any kind concerning whether any class is certifiable or any other matter.

K. The PARTIES shall request this United States District Court for the Middle District of Florida, Tampa Division (the “COURT”) to approve, administer, and implement the SETTLEMENT AGREEMENT with respect to all actions and claims settled in this SETTLEMENT AGREEMENT.

L. This SETTLEMENT AGREEMENT is contingent upon the approval and certification of the SETTLEMENT CLASSES as defined in this SETTLEMENT AGREEMENT. Defendants do not waive, and instead expressly reserve their rights to challenge the propriety of class certification for any purpose should the COURT not approve this SETTLEMENT AGREEMENT and enter a FINAL APPROVAL ORDER.

M. Former SSTs participating in lawsuits which were settled and receive Court approval, are excluded from this SETTLEMENT AGREEMENT and any classes certified pursuant to this SETTLEMENT AGREEMENT; they shall not receive a SETTLEMENT PAYMENT; and they shall not be bound by the terms of the SETTLEMENT AGREEMENT. The former SSTs excluded and their respective case numbers are: Reydi Marrero, Miguel Nin Morales, Andro Monterrey, Scott Redmin, Luciano Miguel Diaz, William Watson, Fabio Vallebona v. MasTec North America, Inc., Case No. 1:07-cv-20517-JAL; Maria Barroso v. MasTec Services Co., Inc. and MasTec North America, Inc., Case No. 1:06-cv-20503-JAL; Humberto Munoz v. MasTec Services Company, Case No. 1:06-cv-21641-JAL; Christian Quinteros v. MasTec Services Company, Case No. 1:06-cv-21642-PAS; Jesus R. Santos v. MasTec Services Company, Case No. 1:06-cv-21640-PAS.

II. DEFINITIONS.

A. “AUGUST 10, 2005 — MAY 26, 2006 SST WEEK VALUE” shall equal $57.26.

B. “AUTHORIZED CLAIMANT” means a member of the SETTLEMENT CLASSES or the authorized legal representative of such member of the SETTLEMENT CLASSES, who files a CLAIM FORM AND REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (“W-9 FORM”), and becomes entitled to receive a SETTLEMENT PAYMENT.

C. The “BAR DATE” is the date by which any member of the SETTLEMENT CLASSES who wishes to qualify as an AUTHORIZED CLAIMANT

must file a CLAIM FORM AND W-9 FORM, which date shall be no later than sixty (60) days after mailing of the CLASS NOTICE.

D. "CAFA NOTICE" refers to the notice to be sent by Defendants to appropriate federal and state officials pursuant to the requirements of the Class Action Fairness Act of 2005 ("CAFA"), 28 U.S.C. § 1715(b), substantially in the form of Exhibit "2" attached hereto.

E. "CLAIM FORMS" refers to the documents substantially in the form of Exhibits "3" through "9" attached hereto. Exhibit 3 shall be mailed to and filed by members of the SETTLEMENT CLASSES who are former employees not entitled to a service payment of $1,500.00 or more. Exhibit 4 shall be mailed to and filed by members of the SETTLEMENT CLASSES who are current employees not entitled to a service payment of $1,500.00 or more. Members of the SETTLEMENT CLASSES who are entitled to a service payment of $1,500.00 or more will be mailed and shall file the following CLAIM FORMS: former employees under 40 years old (Exhibit 5); former employees who are 40 years old or older (Exhibit 6); current employees who are under 40 years old (Exhibit 7); current employees who are 40 years old or older (Exhibit 8); and Plaintiffs or Opt-In Plaintiffs Creary, Fulford, Stabenow, Stahl and Wilson (Exhibit 9).

F. "CLASS COUNSEL" refers to Burr & Smith, LLP; The Linesch Firm, P.A.; Robert S. Norrell, P.A.; and Goldstein, Demchak, Baller, Borgen & Dardarian, P.C.

G. "CLASS NOTICE" refers to the "Notice of Wage/Hour Class and Collective Action Settlement, Settlement Hearing and Claims Procedure" to be sent to the members of the SETTLEMENT CLASSES substantially in the form of Exhibit "10" attached hereto.

H. “COURT” refers to the COURT having jurisdiction of the LITIGATION, at any stage, presently the United States District Court for the Middle District of Florida, Tampa Division.

I. “FINAL APPROVAL HEARING” means the hearing contemplated by the PARTIES, at which the COURT will approve, in final, the settlement and make such other final rulings as are contemplated by this SETTLEMENT AGREEMENT.

J. “FINAL APPROVAL ORDER” refers to the order of the COURT granting final approval of this SETTLEMENT AGREEMENT on the terms provided herein or as the same may be modified by subsequent mutual agreement of the PARTIES.

K. “FINAL JUDGMENT” refers to the judgment entered by the COURT in conjunction with the FINAL APPROVAL ORDER dismissing the LITIGATION with prejudice. The PARTIES shall submit an order of FINAL JUDGMENT setting forth the terms of this SETTLEMENT AGREEMENT, by incorporation or otherwise, for execution and entry by the COURT at the time of the FINAL APPROVAL HEARING or at such other time as the COURT deems appropriate.

L. “FINAL EFFECTIVE DATE” refers to the first date after all of the events and conditions set forth in Paragraph III.A. have been met or occurred.

M. “FINAL SETTLEMENT CLASSES” refers to all members of the SST STATE LAW CLASS or RCT STATE LAW CLASS who do not timely and validly exclude themselves from the classes in compliance with the opt-out and exclusion procedures set forth in this SETTLEMENT AGREEMENT and all members of the FLSA CLASS who opt-in by timely submitting a CLAIM FORM and a W-9 FORM.

N. The “FLSA CLASS PERIOD” means January 1, 2004 through and including September 28, 2007.

O. “FLSA RELEASED CLAIMS” refers to the released claims set forth in Paragraph III.D.2.

P. “FLSA RELEASING PERSONS” means each and every FLSA SETTLEMENT CLASS member who timely files a CLAIM FORM and a W-9 FORM and their respective heirs, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, successors-in-interest and assigns.

Q. “FLSA SETTLEMENT CLASS MEMBER” refers to any member of the FLSA CLASS who opts-in by timely submitting a CLAIM FORM and a W-9 FORM.

R. “JANUARY 1, 2004 — AUGUST 9, 2005 SST WEEK VALUE” shall equal $18.27.

S. “LITIGATION” refers to the action filed on or about July 7, 2005, entitled *Stahl, et al. v. Mastec, Inc. et al.*, Case No. 8-05-CV-01265-JDW-TGW, and to be subsequently amended by Plaintiffs’ First Amended Complaint as set forth in Paragraph I (D), which is currently pending in the United States District Court for the Middle District of Florida, Tampa Division.

T. “MASTEC” refers to MasTec, Inc. and MasTec North America, Inc. d/b/a Advanced Technologies.

U. “MAXIMUM GROSS SETTLEMENT AMOUNT” refers to the amount set forth herein at Paragraph III.B.

V. MAY 27, 2006 — SEPTEMBER 28, 2007 SST WEEK VALUE” — (To be defined)

W. An “OPT-OUT” is a member of the SST STATE LAW CLASS or RCT STATE LAW CLASS who has timely filed a Request for Exclusion as specified in Paragraph VII.A. herein.

X. “OPT-OUT PERIOD” refers to the period beginning with the date CLASS NOTICE is first mailed to members of the SETTLEMENT CLASSES and ending sixty (60) days after the date of first mailing.

Y. “PARTIES” refers to the PLAINTIFFS named in the above-captioned case and MASTEC and, in the singular, refers to any of them, as the context makes apparent.

Z. “PLAINTIFFS” refers to those individuals named in the above-captioned case.

AA. “PRELIMINARY APPROVAL ORDER” refers to the order of the COURT granting preliminary approval of this SETTLEMENT AGREEMENT on the terms provided herein or as the same may be modified by subsequent mutual agreement of the parties.

BB. “PRO RATA ADJUSTMENT FACTOR” equals the amount calculated by dividing the REVISED MAXIMUM GROSS SETTLEMENT AMOUNT by the product of the total number of weeks worked by members of the SETTLEMENT CLASSES in each period multiplied by the value of a week in each period, excluding weeks worked by individuals slated to receive a service payment of $1,500 or more.

CC. “RCT” means an individual who was employed in MASTEC’S Broadband Division in California and performed residential consumer cable installations, repairs, or servicing during the RCT STATE LAW CLASS PERIOD.

DD. The “RCT STATE LAW CLASS PERIOD” means October 10, 2001 through and including December 31, 2005.

EE. “RCT WEEK VALUE” shall equal $63.01.

FF. “RELATED PERSONS” refers to MASTEC and their past, present, and future parents, affiliates, subsidiaries, divisions, predecessors, successors, partners, joint venturers, affiliated organizations, shareholders, insurers, reinsurers and assigns, and each of its past, present and future officers, directors, trustees, agents, employees, attorneys, contractors, representatives, benefits plans sponsored or administered by MASTEC, divisions, units, branches and any other persons or entities acting on their behalf.

GG. “RELEASED PERSONS” refers to MASTEC and their past, present, and future parents, affiliates, subsidiaries, divisions, predecessors, successors, partners, joint venturers, affiliated organizations, shareholders, insurers, reinsurers and assigns, and each of its past, present and future officers, directors, trustees, agents, employees, attorneys, contractors, representatives, benefits plans sponsored or administered by MASTEC, divisions, units, branches and any other persons or entities acting on their behalf.

HH “REVISED MAXIMUM GROSS SETTLEMENT AMOUNT” means the total amount set forth in Exhibit 11 for service payments plus an amount for attorneys’ fees, expenses, and costs as approved by the Court deducted from the MAXIMUM GROSS SETTLEMENT AMOUNT.

II. “SETTLEMENT AGREEMENT” refers to this Stipulation and Settlement Agreement.

JJ. “SETTLEMENT CLAIMS ADMINISTRATOR” refers to Settlement Services, Inc.; or such other entity upon whom the PARTIES mutually agree.

KK. “SETTLEMENT CLASSES” collectively refers to those persons to be conditionally certified by the COURT solely for the purpose of effectuating this SETTLEMENT AGREEMENT. The SETTLEMENT CLASSES shall consist of the following individuals and shall be defined as follows:

(1) SST STATE LAW CLASS — refers to any and all persons employed by MASTEC as a SST at any time during the period from January 1, 2004 through and including September 28, 2007 in Florida, Georgia, Maryland, New Jersey, New Mexico, North Carolina, South Carolina, Texas and Virginia.

(2) RCT STATE LAW CLASS — refers to any and all persons employed by MASTEC’S Broadband Division in California as a RCT responsible for residential consumer cable installations, repairs, or servicing at any time from October 10, 2001 through and including December 31, 2005.

(3) FLSA CLASS refers to: (a) any and all persons employed by MASTEC as SSTs at any time during the period from January 1, 2004 through and including September 28, 2007; and (b) any and all persons employed by MASTEC’S Broadband Division in California as RCTs responsible for residential consumer cable installations, repairs, or servicing at any time during the period from January 1, 2004 through and including December 31, 2005.

LL. “SETTLEMENT PAYMENT” refers to the payment to which an AUTHORIZED CLAIMANT shall become entitled pursuant to this SETTLEMENT AGREEMENT, and as more fully set forth in Paragraph III.B.1.a. — h. below.

MM. “SST” means an individual who was employed in MASTEC’S Advanced Technologies Division as an apprentice technician, technician or lead technician and who performed satellite system installations, repairs or service for DirecTV and its customers during the SST STATE LAW CLASS PERIOD.

NN. The “SST STATE LAW CLASS PERIOD” means January 1, 2004 through and including September 28, 2007.

OO. “STATE LAW RELEASED CLAIMS” refers to released claims set forth in Paragraph III.D.1.

PP. “STATE LAW RELEASING PERSONS” means each and every STATE LAW SETTLEMENT CLASS MEMBER and their respective heirs, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, successors-in-interest and assigns.

QQ. “STATE LAW SETTLEMENT CLASS MEMBER” refers to any potential member of the SST STATE LAW CLASS or RCT STATE LAW CLASS who does not file a valid or timely Request for Exclusion as provided in Paragraph VII of the SETTLEMENT AGREEMENT.

RR. “W-9 FORM” refers to the Department of the Treasury Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification (Exhibit 14).

III. TERMS OF SETTLEMENT

A. FINAL EFFECTIVE DATE

1. Shall be the first date after all of the following events and conditions have been met or have occurred:

a. The COURT has, by entry of a PRELIMINARY APPROVAL ORDER:

(1) Approved the conditional certification of the relevant SETTLEMENT CLASSES;

(2) Preliminarily approved the settlement set forth in this SETTLEMENT AGREEMENT, and the method of providing CLASS NOTICE to the relevant SETTLEMENT CLASSES; and

(3) Set a hearing for the final approval of the settlement.

b. The COURT has entered a FINAL APPROVAL ORDER approving this settlement and the COURT has entered the judgment as provided in Paragraph V;

c. The deadline has passed without action for any Party to terminate the SETTLEMENT AGREEMENT pursuant to Paragraph X.B.; and

d. The time to appeal from the FINAL APPROVAL ORDER has expired and no notice of appeal has been filed; and

e. In the event that an appeal is actually filed, the latest of the following, if applicable, has occurred:

(1) Any appeal from the FINAL APPROVAL ORDER has been finally dismissed;

(2) The FINAL APPROVAL ORDER has been affirmed on appeal in a form substantially identical to the form of the FINAL APPROVAL ORDER entered by the COURT;

(3) The time to petition for review with respect to any appellate decision affirming the FINAL APPROVAL ORDER has expired;

(4) If a petition for review of an appellate decision is filed, the petition has been denied or dismissed, or, if granted, has resulted in affirmance of the FINAL APPROVAL ORDER in a form substantially identical to the form of the FINAL ORDER entered by the COURT. The PARTIES agree that the COURT shall retain jurisdiction to enforce the terms of this SETTLEMENT AGREEMENT unless specifically set forth otherwise herein.

B. MAXIMUM GROSS SETTLEMENT AMOUNT

1. As consideration for the settlement described herein in this SETTLEMENT AGREEMENT and in full settlement and satisfaction of all monetary claims and payments to any AUTHORIZED CLAIMANTS encompassed by this SETTLEMENT AGREEMENT, and for CLASS COUNSEL'S attorneys' fees, expenses,

and costs, MASTEC shall pay no more than the MAXIMUM GROSS SETTLEMENT AMOUNT of Twelve Million Six Hundred Thousand Dollars ($12,600,000), to AUTHORIZED CLAIMANTS and CLASS COUNSEL, using a "claims made" procedure as follows:

a. Within eleven (11) days of MASTEC'S signing of this SETTLEMENT AGREEMENT, MASTEC shall provide the SETTLEMENT CLAIMS ADMINISTRATOR with a list containing the names, Social Security numbers, employee identification number, SST or RCT designation, and a count of the weeks of work as an SST and/or RCT during the SST STATE LAW CLASS PERIOD and/or the RCT STATE LAW CLASS PERIOD for all members of the SETTLEMENT CLASSES. The list of members of the SETTLEMENT CLASSES shall also be provided to CLASS COUNSEL with the names and Social Security numbers omitted. Within eleven (11) days of receipt of the list of members of the SETTLEMENT CLASSES, the SETTLEMENT CLAIMS ADMINISTRATOR shall calculate the POTENTIAL GROSS SETTLEMENT AMOUNT for each member of the SETTLEMENT CLASSES pursuant to the following formula.

(i) The total amount set forth in Exhibit 11 for service payments plus an amount for attorneys' fees, expenses, and costs as approved by the Court shall be deducted from the MAXIMUM GROSS SETTLEMENT AMOUNT to obtain a REVISED MAXIMUM GROSS SETTLEMENT AMOUNT. The PARTIES agree that the RCT WEEK VALUE shall equal $63.01 per week, the JANUARY 1, 2004 — AUGUST 10, 2005 SST WEEK VALUE shall equal $18.27 per week; the AUGUST 11,

2005 — MAY 26, 2006 SST WEEK VALUE shall equal $57.26; and the MAY 27, 2006 — SEPTEMBER 28, 2007 SST WEEK VALUE shall equal $14.42.

(ii) The week values set forth above shall be used to calculate a PRO RATA ADJUSTMENT FACTOR by dividing the REVISED MAXIMUM GROSS SETTLEMENT AMOUNT by the product of the total number of weeks worked by members of the SETTLEMENT CLASSES in each period multiplied by the value of a week in each period, excluding weeks worked by individuals slated to receive a service payment of $1,500 or more.

(iii) Each member of the RCT STATE LAW CLASS who is not slated to receive a service payment of $1,500 or more shall be allocated an additional share of the REVISED MAXIMUM GROSS SETTLEMENT AMOUNT which shall be equal to the number of weeks worked during the RCT STATE LAW CLASS PERIOD by the RCT STATE LAW CLASS member multiplied by the RCT WEEK VALUE times the PRO RATA ADJUSTMENT FACTOR.

(iv) Each member of the SST STATE LAW CLASS who is not slated to receive a service payment of $1,500 or more shall be allocated an additional share of the REVISED MAXIMUM GROSS SETTLEMENT AMOUNT which shall be equal to the number of weeks worked during the period January 1, 2004 — August 10, 2005 by the SST STATE LAW CLASS member multiplied by the JANUARY 1, 2004 — AUGUST 10, 2005 SST WEEK VALUE plus the number of weeks worked during the period August 11, 2005 to May 26, 2006 by the SST STATE LAW CLASS member multiplied by the AUGUST 11, 2005 — MAY 26, 2006 SST WEEK VALUE plus the number of weeks worked during the period May 27, 2006 — September 28, 2007 by the SST STATE

LAW CLASS member multiplied by the MAY 27, 2006 — SEPTEMBER 28, 2007 SST WEEK VALUE times the PRO RATA ADJUSTMENT FACTOR.

(v) Each member of the FLSA CLASS who is not a member of the SST STATE LAW CLASS or RCT STATE LAW CLASS who is not slated to receive a service payment of $1,500 or more shall be allocated a share pursuant to the formula for members of the SST STATE LAW CLASS.

b. When complete, the individualized list of the GROSS SETTLEMENT AMOUNTS calculated by the SETTLEMENT CLAIMS ADMINISTRATOR for all members of the SETTLEMENT CLASSES shall equal the MAXIMUM GROSS SETTLEMENT AMOUNT. This list shall be provided to CLASS COUNSEL and counsel for MASTEC, who shall have five (5) business days to review and comment on the calculations. The list to be provided to CLASS COUNSEL shall not identify members of the SETTLEMENT CLASSES by name but instead utilize a unique identifying number. The SETTLEMENT CLAIMS ADMINISTRATOR shall review any comments received from CLASS COUNSEL or Counsel for MASTEC and shall finalize the GROSS SETTLEMENT AMOUNT list within five (5) business days of any comments received by either CLASS COUNSEL or counsel for MASTEC. The SETTLEMENT CLAIMS ADMINISTRATOR's determination after input from CLASS COUNSEL and counsel for MASTEC of the GROSS SETTLEMENT AMOUNTS shall be final and not subject to appeal to the district court or appellate courts.

c. Members of the SETTLEMENT CLASSES who timely file CLAIM FORMS and W-9 FORMS and become AUTHORIZED CLAIMANTS shall

receive their individually calculated GROSS SETTLEMENT AMOUNT less required withholding and attorneys' fees, expenses, and costs.

d. The PARTIES agree that all SETTLEMENT PAYMENTS to be issued to AUTHORIZED CLAIMANTS, other than CLASS COUNSEL'S attorneys' fees, expenses, and costs, shall be separated into equal payments for back wages and liquidated damages. The back wages shall be subject to all required employee paid payroll taxes (federal income taxes, state income taxes, employee's share of FICA and FUTA taxes, and other state-specific statutory deductions) and other authorized or required deductions (garnishments, tax liens, child support, etc.), which the AUTHORIZED CLAIMANTS will be responsible for paying from their allotted SETTLEMENT PAYMENTS. MASTEC shall pay the employer's share of FICA and FUTA and any other employer state-specific requirements on SETTLEMENT PAYMENTS characterized as back wages, which amount shall not be included in, but will be in addition to, the MAXIMUM GROSS SETTLEMENT AMOUNT. The liquidated damage portion shall be characterized as payment for alleged liquidated damages under the FLSA and treated as income to the AUTHORIZED CLAIMANT. MASTEC will report the back wage payment to the AUTHORIZED CLAIMANT on an IRS Form W-2 and the liquidated damage payment on an IRS Form 1099.

e. CLASS COUNSEL shall make an application to the COURT for an award of thirty percent of the MAXIMUM GROSS SETTLEMENT AMOUNT ($3,780,000) as payment of attorneys' fees, expenses, and costs. MASTEC will not oppose this request. The amount approved for payment of attorneys' fees, expenses, and costs will be taken from thirty percent of the back wages and liquidated damages to be

paid to AUTHORIZED CLAIMANTS. MASTEC will report as income on an IRS Form 1099 each AUTHORIZED CLAIMANT'S pro rata share of the amount approved by the Court for payment of attorneys' fees, expenses and costs. Should thirty percent of the MAXIMUM GROSS SETTLEMENT AMOUNT due as attorneys' fees, expenses, and costs ($3,780,000) not be met from the amounts to be paid to AUTHORIZED CLAIMANTS, the remaining amount of attorneys' fees, expenses, and costs due will be paid from the remaining portion of the MAXIMUM GROSS SETTLEMENT AMOUNT after all back wages and liquidated damages have been allocated to AUTHORIZED CLAIMANTS pursuant to the terms of this SETTLEMENT AGREEMENT. Payment of such attorneys' fees, expenses, and costs shall be made by delivery of the amount approved for payment of attorneys' fees, expenses, and costs to Burr & Smith, LLP within sixty (60) days of the FINAL EFFECTIVE DATE. Payment of such attorneys' fees, expenses, and costs to CLASS COUNSEL shall constitute full satisfaction of any and all obligations by MASTEC to pay any person, attorney or law firm for attorneys' fees, expenses or costs incurred on behalf of PLAINTIFFS and all members of the FINAL SETTLEMENT CLASSES, and shall relieve the RELEASED PERSONS of any other claims or liability to any person for any attorneys' fees, expenses, and costs to which any person may claim to be entitled on behalf of PLAINTIFFS or any members of the FINAL SETTLEMENT CLASSES for this LITIGATION. Upon payment of CLASS COUNSEL'S attorneys' fees, expenses, and costs hereunder, CLASS COUNSEL shall release Defendants and RELEASED PERSONS from any and all claims for prevailing party attorneys' fees, expenses, and costs relating to this LITIGATION.

f. From the MAXIMUM GROSS SETTLEMENT AMOUNT, CLASS COUNSEL shall seek service payments for those members of the SETTLEMENT CLASSES listed on Exhibit "11" and who timely submit CLAIM FORMS and W-9 FORMS and become AUTHORIZED CLAIMANTS: (i) $9,800 to PLAINTIFFS Art Fulford and Keith Simpson as payment for their wage and hour claims, for executing a confidentiality agreement and a general release, for releasing their alleged retaliation claims and for their significant involvement and time spent preparing for mediation for the benefit of the SETTLEMENT CLASSES; (ii) $58,500 to Plaintiff James Stahl, as payment for his wage and hour claims, for executing a confidentiality agreement and a general release, for resolving his alleged Florida Whistleblower Act claim, Fla. Stat., section 448, his retaliation claims, and for his time and effort in representing the SETTLEMENT CLASSES in numerous mediations; (iii) $8,500 to Opt-In Plaintiffs Angel Candelario, Christopher Creary, Joe Hernandez, Robert Mogollon, Balkrishna Rambharose, and Ralph Wilson for their wage and hour claims, their time and effort in mediation, for executing a confidentiality agreement and a general release, and for releasing their alleged retaliation claims; (iv) $21,500 each to Opt-In Plaintiffs John Pacheco, Erik Gastelum, and Jorge Chavez for their wage and hour claims, their time and effort in mediation, for executing a confidentiality agreement and general release, for releasing their alleged retaliation claims, and for releasing their claims that they were misclassified by MASTEC as supervisors exempt from overtime and minimum wage under Federal and California law; (v) $3,000 each to named PLAINTIFFS Jose A. Gonzalez, Leonides Gonzalez, John S. Miller, Carl Shane, Hector Cumbalaza, Carlos Inclan, Gary Cameron, Hector Vasquez, Jerry Thompson, Kenneth Willis, Richard

Hamilton, Robert Rowland, Bradley Collins, Eddie Armour, Brandon Parish, Jermaine Davenport, Hollis Johns, and Jeffrey Satala and Opt-In Plaintiff William Stabenow for their wage and hour claims, for executing a confidentiality agreement and a general release, for releasing their alleged retaliation claims, and in recognition of substantial services performed for the benefit of the SETTLEMENT CLASSES; and (vi) $1,500 each to Opt-In Plaintiffs Jeremy Bush and Tiwan Cobb for their wage and hour claims, for executing a confidentiality agreement and a general release, for releasing their alleged retaliation claims, and in recognition of substantial services performed for the benefit of the SETTLEMENT CLASSES; and (vii) $500 to the Opt-In Plaintiffs listed on Exhibit 11, for their wage and hour claims, for executing a release, for releasing their alleged retaliation claims and in recognition of substantial services performed for the benefit of the SETTLEMENT CLASSES.

g. SETTLEMENT PAYMENTS to members of the SETTLEMENT CLASSES who timely submit CLAIM FORMS and W-9 FORMS, become AUTHORIZED CLAIMANTS and are eligible to receive a service payment of $1,500 or more, shall be divided into two payments. The first payment representing fifty percent (50%) of the SETTLEMENT CLASSES member's total SETTLEMENT PAYMENT, less applicable taxes and deductions, shall be made within sixty (60) days of the FINAL EFFECTIVE DATE. The remaining payment representing the balance of the AUTHORIZED CLAIMANT'S SETTLEMENT PAYMENT shall be issued 180 days after the first payment is issued.

h. SETTLEMENT PAYMENTS to all other members of the SETTLEMENT CLASSES not identified by paragraph III.B.1.f. who timely submit

CLAIM FORMS and W-9 FORMS and become AUTHORIZED CLAIMANTS shall receive their total SETTLEMENT PAYMENTS, less applicable taxes and deductions, within sixty (60) days of the FINAL EFFECTIVE DATE.

i. Any portion of the MAXIMUM GROSS SETTLEMENT AMOUNT that remains after SETTLEMENT PAYMENTS, SERVICE PAYMENTS and the payment of attorneys' fees, expenses and costs are made to AUTHORIZED CLAIMANTS and CLASS COUNSEL shall be retained by MASTEC and remain its sole and exclusive property.

2. In addition to the MAXIMUM GROSS SETTLEMENT AMOUNT to be paid in the event all members of the SETTLEMENT CLASSES timely submit CLAIM FORMS and W-9 FORMS, MASTEC shall pay all reasonable costs of notice to SETTLEMENT CLASSES, including the costs of searching for additional addresses for any notice returned undeliverable, and all reasonable expenses and fees of the SETTLEMENT CLAIMS ADMINISTRATOR for work performed consistent with the duties assigned to the SETTLEMENT CLAIMS ADMINISTRATOR in paragraph VIII.B.

3. CLASS COUNSEL and members of the FINAL SETTLEMENT CLASSES, agree that, for settlement purposes only, the Motor Carrier Act (MCA) defense precludes any FLSA overtime claims, as well as state law overtime claims in those states that recognize the MCA defense against MASTEC prior to August 10, 2005.

4. Members of the FINAL SETTLEMENT CLASSES who are current employees and who opt into this settlement also agree to certify in writing at the time of execution of the appropriate CLAIM FORMS that they: (1) agree to comply with

MASTEC'S payroll reporting policies and accurately report all working time; (2) will immediately report to a designated Company contact any improper instruction by anyone to work off-the-clock or otherwise under report any working time; and (3) will not perform any off-the-clock work.

C. Confidentiality Provisions

1. AUTHORIZED CLAIMANTS who will not receive a service payment of $1,500.00 or more, shall execute the CLAIM FORM attached hereto as Exhibit 3 (former employees) or Exhibit 4 (current employees) and complete and execute a W-9 FORM attached hereto as Exhibit 14.

2. AUTHORIZED CLAIMANTS who will receive a service payment of $1,500 or more, shall execute the CLAIM FORM, attached hereto as Exhibit 5 (former employees who are under 40 years old), Exhibit 6 (former employees who are 40 years old or older), Exhibit 7 (current employees who are under 40 years old), Exhibit 8 (current employees who are 40 years old or older), or Exhibit 9 (Plaintiffs or Opt-In Plaintiffs Creary, Fulford, Stabenow, Stahl, and Wilson), and complete and execute a W-9 FORM attached hereto as Exhibit 14. In their confidentiality agreement, Creary, Fulford, Stabenow, Stahl and Wilson will be required to certify under oath that since September 20, 2006, they have not disclosed the terms of this settlement to any other individual, except to the extent that the PARTIES' Summary of Key Terms of Settlement Agreement was disclosed by CLASS COUNSEL prior to September 25, 2007 or where required to do so by law. Should the AUTHORIZED CLAIMANTS who will receive a service payment of $1,500 or more violate the confidential provisions of the CLAIM FORM, they will forfeit any remaining funds to be paid as part of the settlement. The

PARTIES agree that should MASTEC reasonably believe that the AUTHORIZED CLAIMANT(S) violated the provisions of the CLAIM FORM, MASTEC may terminate the remaining payments to the AUTHORIZED CLAIMANT(S) by notifying the AUTHORIZED CLAIMANT(S) in writing. The third-party administrator will be notified to terminate the remaining payments with copy of such notice to the AUTHORIZED CLAIMANT(S).

Should the AUTHORIZED CLAIMANT(S) believe that the remaining payment was improperly terminated, the AUTHORIZED CLAIMANT(S) shall file a claim with the American Arbitration Association ("AAA") in Tampa, Florida within thirty (30) days following his receipt of such notice, to determine the issue of whether a violation of the confidentiality provision occurred. The PARTIES agree that such arbitration shall be subject to the Commercial Arbitration Rules in effect at the time the SETTLEMENT AGREEMENT is executed.

D. Release of Claims; Waiver; Assignment of Rights

1. Release by STATE LAW SETTLEMENT CLASS MEMBERS: Effective as of the FINAL EFFECTIVE DATE, each and every STATE LAW SETTLEMENT CLASS MEMBER and their respective heirs, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, successors-in-interest, and assigns (collectively, the "STATE LAW RELEASING PERSONS") hereby forever completely release and discharge MASTEC, and the RELEASED PERSONS, as defined earlier in this SETTLEMENT AGREEMENT, from any and all wage-related claims, demands, rights, liabilities, expenses, and losses of any kind, that any of the STATE LAW RELEASING PERSONS has, had, might have or might have had against

any of the RELEASED PERSONS based on any act or omission that occurred at any time up to and including September 28, 2007, in any way related to any of the facts or claims alleged in this LITIGATION or by reason of the negotiations leading to this settlement, even if presently unknown and/or un-asserted. The matters released herein include any claims that could be brought by SSTs or RCTs alleging that MASTEC retaliated against them for complaining about their wages or for asserting wage-related claims, any wage-and-hour laws or other laws, and any other claims of any kind related to MASTEC'S alleged failure to pay wages to SSTs and/or RCTs through September 28, 2007, including but not limited to:

California Labor Code Sections 201-204, 212, 221 et. seq., 226, 226.7, 400 et. seq., 510 et seq., 512, 558, 1194, 2699 et seq., and 2802; Wage Order 4 of the Industrial Welfare Commission ("IWC") Wage Orders (8 Cal. ¶Code Regs. §11010 et seq.); the California Business & Professions Code § 17200 and Code of Civil Procedure § 1021.5 and 1542; the California Private Attorney General Act, Florida Statute § 448.08, the Florida Minimum Wage law, Florida Constitution, Art. X, § 24; Georgia Minimum Wage Law, GA. Code, § 34-4-6 et. seq.; Maryland Wage and Hour Law and Maryland Wage Payment and Collection Law, Md. Code §§ 3-401, et. seq., 3-501, et. seq.; New Mexico Labor Conditions and Payment of Wages Laws and Minimum Wage Act, N.M.S.A. §§ 50-4-01, et. seq. and N.M. Admin Code tit.; North Carolina General Statute §§ 95-24; South Carolina Payment of Wages Act, S.C. Code, § 41-10-10 et. seq.; Virginia Minimum Wage Act, Va. Code Ann. §§ 40.1-28.8; New Jersey State Wage and Hour Law, N.J.S.A. 34:11-56a, et seq.; Pennsylvania Minimum Wage Act of 1968, 43 P.S. §333.101 et seq. and Wage Payment and Collection Law, 43 P.S. §260.1, et seq.; Alaska Wage and Hour Act, A.S. §§23.10.050, et seq.; Minimum Wage Act of the State of Arkansas, A.C.A. §§11-4-201, et seq., Colorado Minimum Wage Law, C.R.S. §§8-6-101, et seq. and Colorado Wage Order No. 22, 7 C.C.R. 1103-1, C.C.H. 6-41, 801, et seq.; Connecticut Wage and Hour Law, C.G.S. §§31-58, et seq. and Connecticut Agency Regulation. 31-60-10(a); Delaware Wage Payment and Collection Act, 19 Del. C. §1113, et seq.; District of Columbia Minimum Wage Act, D.C. Code §§32-1001, et seq.; Hawaii Wage and Hour Law, H.R.S. §§ 387, et. seq.; Idaho Hours Worked Act, I.C.A. §§44-1201, et seq.; Illinois Minimum Wage Law, 820 I.L.C.S. 10511, et seq. and 56 Ill. Admin. Code §210.100; Indiana Minimum Wage Law of 1965, Ind. Code §§22-2-2-1, et seq.; Iowa Wage Payment and Collection Act, I.C.A §§91A.1, et seq.; Kansas Minimum Wage and Maximum Hours Law, K.S.A. §§44-1201, et seq.; Kentucky Wages and Hours Laws, K.R.S. §§337, et seq. and 803 Ky. Admin. Regs. 1:005, et seq.; Maine Minimum Wages Laws, 26 M.R.S.A. §§661, et seq.; Maryland Wage and Hour Law and Maryland Wage

Payment and Collection Law, Md. Code §§3-401, et seq., 3-501, et seq.; Massachusetts Minimum Fair Wage Law, G.L. c. 151 §§IA, et seq. and 455 C.M.R. §2.01 et seq.; Michigan Minimum Wage Law of 1964, M.C.L. 408.381, et seq.; Minnesota Fair Labor Standards Act, Minn.Stat. §177.21, et seq.; Montana Wages and Wage Protection Laws, §§39-2-101, et seq. and 39-4-101, et seq., M.C.A. and Mont. Admin. R. 24.16. 1001 et seq.; Nebraska Wage Payment and Collection Act, Neb.Rev.Stat, §48-1228, et seq.; Nevada Compensation, Wages and Hours Laws, N.R.S. 608.005, et seq.; New Hampshire Minimum Wage Law, R.S.A. 279:1, et seq.; New Mexico Labor Conditions and Payment of Wages Laws and Minimum Wage Act, N.M.S.A. §§50-4-01, et seq. and N.M. Admin Code tit. 11, §1.4.7(I) et seq.; New York Minimum Wage Act, §§650 et seq. and Minimum Wage Orders, 12 N.Y.C.R.R. 142-1.1 et seq.; North Carolina Wage and Hour Act, N.C. Gen.Stat. §§95-24, et seq.; North Dakota Minimum Wages and Hours Laws, N.D.C.C. §§34-06-01, et seq. and Minimum Wage and Work Conditions Order, N.D.Admin.Code §46-02-07, et seq.; Ohio Minimum Fair Wage Standards Act, R.C. §§4111.01, et seq.; Oklahoma Protection of Labor Laws, 40 Okl.St.Ann §§165.1, et seq.; Oregon Labor and Employment Laws, O.R.S. 651.010, et seq. and Oregon Administrative Rules, O.A.S. 839-020-0030, 0080 et seq.; Puerto Rico Working Hours and Days Laws, 29 L.P.R.A. §§271, et seq.; Rhode Island Minimum Wage Act, G.L. §§28-12-1, et seq.; South Carolina Payment of Wages Act, S.C. Code, § 41-10-10 et. seq.; South Dakota Labor and Employment Laws, S.D.C.L. 60-1-1, et seq.; Vermont Wages and Medium of Payment Laws, 21 V.S.A. §§341, et seq.; Virginia Minimum Wage Act, Va. Code Ann. §§40.1-28.8 et seq.; Washington Minimum Wage Act, R.C.W. 49.46.005, et seq. and Washington Minimum Wage Rules, WAC 296-126 et seq.; West Virginia Minimum Wage and Maximum Hours Act, W.Va.Code §25-5C-1, et seq.; Wisconsin Hours of Labor Laws, Wis. Stat. §§103.01 et seq. and Wisconsin Hours of Work and Overtime Rules, Wis. Admin. Code, §§DWD 272.01 et seq. and 274.01 et seq.; and Wyoming Minimum Wages, W.S. 1977 §§27-4-201, et seq. and Collection of Unpaid Wages, §§27-4-501, et seq.

The STATE LAW RELEASING PERSONS further covenant and agree not to accept, recover or receive any back pay, liquidated damages, other damages or any other form of relief based on any claims asserted or settled in this LITIGATION which may arise out of, or in connection with any other individual, class or any administrative remedies pursued by any federal, state or local governmental agency against any of the RELEASED PERSONS. FLSA Claims are released for those members of the SETTLEMENT CLASSES who timely file CLAIM FORMS and W-9 FORMS.

The STATE LAW RELEASING PERSONS further covenant and agree not to take any steps to initiate, file or participate in any claim under the California Private

Attorney General Act, California Labor Code section 2699 et seq. with respect to any claims for violation of the California Labor Code that allegedly arose during the time period of October 10, 2001 through the time this agreement is signed.

2. Release by FLSA SETTLEMENT CLASS MEMBERS: Effective as of the FINAL EFFECTIVE DATE, each and every FLSA SETTLEMENT CLASS MEMBER who timely files a CLAIM FORM and W-9 FORM and their respective heirs, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, successors-in-interest, and assigns (collectively, the "FLSA RELEASING PERSONS") hereby forever completely release and discharge MASTEC, and the RELEASED PERSONS, from any and all claims pursuant to Fair Labor Standards Act of 1938 ("FLSA"), 29 U.S.C. § 201, et. seq., of any kind, that any of the FLSA RELEASING PERSONS has, had, might have or might have had against any of the RELEASED PERSONS based on any act or omission that occurred up to and including September 28, 2007, in any way related to any of the facts or claims alleged in this LITIGATION or by reason of the negotiations leading to this settlement, even if presently unknown and/or un-asserted. The matters released by the FLSA RELEASING PERSONS herein also include any FLSA retaliation claims that could be brought by SSTs or RCTs against MASTEC or any RELEASED PERSONS based on any act or omission that occurred up to and including September 28, 2007.

FLSA RELEASING PERSONS further covenant and agree not to accept, recover or receive any back pay, liquidated damages, other damages or any other form of relief based on any FLSA claims asserted or settled in this LITIGATION which may arise out of, or in connection with any other individual, class or any administrative remedies

pursued by any federal, state or local governmental agency against any of the RELEASED PERSONS.

3. Waiver of California Civil Code section 1542: The FLSA RELEASING PERSONS and STATE LAW RELEASING PERSONS acknowledge that they each may have claims related to the STATE LAW RELEASED CLAIMS and FLSA RELEASED CLAIMS that are presently unknown and that the release contained in this SETTLEMENT AGREEMENT is intended to and will fully, finally, and forever discharge even such claims, whether now asserted or un-asserted, known or unknown, to the extent they fall within the description of claims being released above.

ACCORDINGLY, EACH FLSA RELEASING PERSON AND STATE LAW RELEASING PERSON EXPRESSLY UNDERSTANDS AND AGREES TO WAIVE THE PROVISIONS OF, AND RELINQUISH ALL RIGHTS AND BENEFITS AFFORDED BY, CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES IN FULL AS FOLLOWS:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

In giving this waiver, the FLSA RELEASING PERSONS and STATE LAW RELEASING PERSONS acknowledge that they have been advised of California Civil Code section 1542, they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the subject matter released herein, but agree that they have taken that possibility into account in reaching this SETTLEMENT AGREEMENT and that, notwithstanding the discovery or existence of any such additional or different facts, as to which the FLSA RELEASING PERSONS and STATE LAW RELEASING PERSONS expressly assume the risk, they freely and voluntarily give the release set forth above. Upon the FINAL EFFECTIVE DATE of this SETTLEMENT AGREEMENT, or upon such earlier date as a SETTLEMENT PAYMENT has been issued to the individual FLSA RELEASING PERSONS and STATE LAW RELEASING PERSONS, members of the FINAL SETTLEMENT CLASS shall be deemed to have given this release.

4. Assignment: PLAINTIFFS, for themselves and on behalf of the other STATE LAW RELEASING PERSONS and FLSA RELEASING PERSONS, represent and warrant that nothing which would otherwise be released herein has been assigned, transferred, or hypothecated or purportedly assigned, transferred, or hypothecated. Upon the FINAL EFFECTIVE DATE of this SETTLEMENT AGREEMENT, or upon such earlier date as a SETTLEMENT PAYMENT has been issued to the individual RELEASING PARTY, members of the FINAL SETTLEMENT CLASS shall be deemed to have given this warranty.

5. General Releases: As set forth in Paragraph III.B.1.f, certain members of the SETTLEMENT CLASSES will be required to execute full and complete releases of any and all claims against Defendants.

6. Tolling Agreement: On October 10, 2005, the running of the statutes of limitations for all SSTs and RCTs employed by MASTEC was tolled by agreement of the parties. As of May 26, 2006, the tolling of the statutes of limitations was ended by agreement of the parties.

IV. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

A. **Permission to File Amended Collective and Class Action Complaint:** As soon as practicable after the execution of this SETTLEMENT AGREEMENT, CLASS COUNSEL shall, with appropriate COURT approval, file Plaintiffs' First Amended Complaint, a copy of which is attached as Exhibit 1 which will seek certification of SETTLEMENT CLASSES.

B. **Seek Preliminary Approval:** As soon as practicable after the execution of this SETTLEMENT AGREEMENT, but no later than thirty (30) days after the execution of the SETTLEMENT AGREEMENT by MASTEC and CLASS COUNSEL, CLASS COUNSEL, on behalf of PLAINTIFFS and all potential members of the SETTLEMENT CLASSES, and MASTEC shall submit this SETTLEMENT AGREEMENT to and move the COURT for an Order, a copy of which is attached as Exhibit "12" ("PRELIMINARY APPROVAL ORDER"), which shall:

1. Assert jurisdiction over the claims and PARTIES alleged in the Plaintiffs' First Amended Complaint and the implementation and administration of this SETTLEMENT AGREEMENT;

2. Grant preliminary approval of the settlement set forth in this SETTLEMENT AGREEMENT as adequate, fair, and reasonable and in the best interests of all PLAINTIFFS and potential members of the SETTLEMENT CLASSES;

3. Conditionally certify the Rule 23 and Section 216(b) classes as defined in this SETTLEMENT AGREEMENT for settlement purposes only;

4. Appoint James Stahl, Jose A. Gonzalez, Leonides Gonzalez, Art Fulford, John S. Miller, Carl Shane, Hector Cumbalaza, Carlos Inclan, Gary Cameron, Hector Vasquez, Jerry Thompson, Kenneth Willis, Richard Hamilton, Keith Simpson, Robert Rowland, Bradley Collins, Eddie Armour, Brandon Parish, Jermaine Davenport, Hollis Johns and Jeffrey Satala as SETTLEMENT CLASS representatives;

5. Approve the CLASS NOTICE, and CLAIM FORMS, copies of which are attached as Exhibits “3” through “10” and authorize the mailing of the CLASS NOTICE, CLAIM FORMS, and W-9 FORMS to all members of the SETTLEMENT CLASSES.

6. Appoint CLASS COUNSEL as counsel for the SETTLEMENT CLASSES pursuant to Fed. R. Civ. Pro. 23(g);

7. Appoint Settlement Services, Inc. or some other claims administrator who is acceptable to the PARTIES as the SETTLEMENT CLAIMS ADMINISTRATOR pursuant to Fed. R. Civ. Pro. 53;

8. Set a date for the execution and return of CLAIM FORMS and W-9 FORMS, filing of objections or opting out of the settlement; and

9. Schedule a hearing for the final approval of the SETTLEMENT AGREEMENT and entry of a FINAL ORDER dismissing with prejudice all claims encompassed by this SETTLEMENT AGREEMENT (“FINAL ORDER”) in materially the same form as attached as Exhibit “13”.

C. **Seek Certification of Settlement Classes:** The PARTIES agree to request the COURT to certify, for settlement purposes only, the following SETTLEMENT CLASSES:

1. The following OPT-OUT SETTLEMENT CLASSES pursuant to Rule 23 of the Federal Rule of Civil Procedure: (a) The SST STATE LAW CLASS which refers to any and all persons employed by MASTEC as SSTs at any time during the period from January 1, 2004 through and including September 28, 2007 in Florida, Georgia, Maryland, New Jersey, New Mexico, North Carolina, South Carolina, Texas, and Virginia; and (b) the RCT STATE LAW CLASS which refers to any and all persons employed by MASTEC'S Broadband Division in California as RCTs responsible for residential consumer cable installations, repairs, or servicing at any time during the period from October 10, 2001 through and including December 31, 2005; and

2. "FLSA CLASS" — An opt-in collective action class pursuant to Section 216(b) of the FLSA that refers to (i) any and all persons employed by MASTEC as SSTs at any time during the period from January 1, 2004 through and including September 28, 2007 and (ii) any and all persons employed by MASTEC'S Broadband Division in California as RCTs responsible for residential consumer cable installations, repairs, or servicing at any time during the period from January 1, 2004 through and including December 31, 2005.

D. **Opposition to Class Certification**: MASTEC expressly reserves its right to oppose class certification should the SETTLEMENT AGREEMENT not become final.

E. **Dismissal With Prejudice**: PLAINTIFFS and Defendant agree that they will stipulate to the dismissal with prejudice of the LITIGATION as amended by Plaintiffs' First Amended Complaint on the date upon which a FINAL ORDER is entered by the COURT approving this SETTLEMENT AGREEMENT and dismissing this LITIGATION with prejudice and the FINAL ORDER becomes non-appealable, or, if such order is appealed by a Class Member, the date of the final resolution of any and all appeals approving this SETTLEMENT AGREEMENT and resulting in the carrying out of the terms of this SETTLEMENT AGREEMENT and the dismissal of the action with prejudice.

V. FINAL SETTLEMENT APPROVAL

As part of this settlement, PLAINTIFFS shall timely contact the COURT to hold a FINAL APPROVAL HEARING for the purpose of obtaining the FINAL APPROVAL ORDER and entry of judgment granting dismissal of this action as amended by Plaintiffs' First Amended Complaint with prejudice and permanently barring all STATE LAW RELEASING PERSONS from prosecuting against MASTEC, and the RELEASED PERSONS, as defined earlier in this SETTLEMENT AGREEMENT, any STATE LAW RELEASED CLAIMS which were or could have been asserted by the STATE LAW SETTLEMENT CLASS MEMBERS, including without limitation any claims arising out of the acts, facts, transactions, occurrences, representations, or omissions set forth in the Complaint in this action, through September 28, 2007, under state and federal law; and barring all FLSA RELEASING PERSONS from prosecuting against MASTEC, and the RELEASED PERSONS, as defined earlier in this SETTLEMENT AGREEMENT, any FLSA RELEASED CLAIMS which were or could have been asserted pursuant to the

FLSA, including without limitation any claims arising out of the acts, facts, transactions, occurrences, representations, or omissions set forth in the Complaint in this action, up to and including September 28, 2007, upon satisfaction of all payments and obligations hereunder. Except to the extent provided below in Paragraph X., the PARTIES agree to use their best efforts to affect these goals at the FINAL APPROVAL HEARING. The date of the FINAL APPROVAL HEARING shall be set by the COURT but in no event shall be scheduled prior to the required time frame set forth in the Class Action Fairness Act of 2005 and notice of such shall be provided to members of the SETTLEMENT CLASSES in the CLASS NOTICE, although such hearing may be continued by the COURT without further notice to members of the SETTLEMENT CLASSES, other than those who filed proper and timely objections.

VI. NOTICE TO SETTLEMENT CLASSES

A. Upon the COURT'S preliminary approval of this SETTLEMENT AGREEMENT, MASTEC shall provide the SETTLEMENT CLAIMS ADMINISTRATOR a listing of each member of the SETTLEMENT CLASSES with his or her last known address, phone number, MASTEC Employee number (if known), and Social Security number. CLASS COUSEL shall also provide the SETTLEMENT CLAIMS ADMINISTRATOR with any updated addresses for members of the SETTLEMENT CLASSES upon preliminary approval. Prior to the sending of notice to the members of the SETTLEMENT CLASSES, the SETTLEMENT CLAIMS ADMINISTRATOR shall immediately attempt to confirm the accuracy of the names and addresses through the United States Post Office's National Change of Address database and shall mail the COURT approved Notice and CLAIM FORMS and W-9 FORMS to all those individuals who have been identified by MASTEC'S records as included within the SETTLEMENT CLASSES definitions.

B. The CLASS NOTICE will inform putative members of the SETTLEMENT CLASSES about this SETTLEMENT AGREEMENT and will also advise them of the opportunity to object to or OPT-OUT (or, in the case of the FLSA CLASS, to file consents to join in the settlement) and/or to appear at the FINAL APPROVAL HEARING at which the COURT will determine whether to grant final approval of this SETTLEMENT AGREEMENT. All mailings by the SETTLEMENT CLAIMS ADMINISTRATOR shall be by first class mail. If a notice is returned as undeliverable, the SETTLEMENT CLAIMS ADMINISTRATOR will perform one skip trace, and resend CLASS NOTICES once to those members of the SETTLEMENT CLASSES for whom it obtains more recent addresses.

C. The SETTLEMENT CLAIMS ADMINISTRATOR shall send a copy of the FINAL APPROVAL ORDER to all AUTHORIZED CLAIMANTS when the AUTHORIZED CLAIMANTS are mailed their SETTLEMENT PAYMENTS.

VII. BINDING EFFECT; EXCLUSION, OPT-OUT AND OBJECTION RIGHTS

A. Right of members of SST STATE LAW CLASS or RCT STATE LAW CLASS to Opt-Out and be Excluded: Any member of the SST STATE LAW CLASS or RCT STATE LAW CLASS may elect to OPT-OUT and be excluded from the SST STATE LAW CLASS or RCT STATE LAW CLASS at any time during the OPT-OUT PERIOD. Members of the SETTLEMENT CLASSES who fall into more than one of the SETTLEMENT CLASSES and elect to be excluded from any of the SETTLEMENT CLASSES will be excluded from each of the entire SETTLEMENT CLASSES. To be

effective, any such election must be made in writing; must contain the name, address, telephone number and social security number of the individual requesting exclusion; must be signed by the individual who is electing to be excluded and OPT-OUT; and must be mailed to the SETTLEMENT CLAIMS ADMINISTRATOR so that it is received by the SETTLEMENT CLAIMS ADMINISTRATOR on or before sixty (60) days after the date the CLASS NOTICE, CLAIM FORM and W-9 FORM was first mailed to members of the SETTLEMENT CLASSES. Any member of the SETTLEMENT CLASSES who timely requests exclusion and opts-out in compliance with these requirements (i) shall not have any rights under this SETTLEMENT AGREEMENT; (ii) shall not be entitled to receive a SETTLEMENT PAYMENT; and (iii) shall not be bound by this SETTLEMENT AGREEMENT, the FINAL APPROVAL ORDER, or the judgment.

B. Binding Effect on members of FINAL SETTLEMENT CLASSES in the SST STATE LAW CLASS or RCT STATE LAW CLASS: Except for those members of the SETTLEMENT CLASSES who exclude themselves in compliance with the procedures set forth above, all members of the SETTLEMENT CLASSES in the SST STATE LAW CLASS or the RCT STATE LAW CLASS will be deemed to be members of the FINAL SETTLEMENT CLASSES for all purposes under this SETTLEMENT AGREEMENT; will be bound by the terms and conditions of this SETTLEMENT AGREEMENT, the FINAL APPROVAL ORDER, the judgment, and the releases set forth herein; except they shall not be found to have waived their right to pursue any claim under the Fair Labor Standards Act; and will be deemed to have waived all objections and opposition to the fairness, reasonableness, and adequacy of the settlement.

C. Right to Object: Any member of the SETTLEMENT CLASSES may object to this settlement, provided that such objections are made in a writing filed with the SETTLEMENT CLAIMS ADMINISTRATOR and served on counsel for the PARTIES no later than the last day of the OPT-OUT PERIOD. Such objection shall include the name and address of the objector, a detailed statement of the basis for each objection asserted, the grounds on which such member of the SETTLEMENT CLASSES desires to appear and be heard (if any), and, if the objector is represented by counsel, the name and address of counsel. No member of the SETTLEMENT CLASSES may be heard at the FINAL APPROVAL HEARING who has not complied with this requirement and any member of the SETTLEMENT CLASSES who fails to comply with this requirement will be deemed to have waived any right to object and any objection to the settlement.

D. Right to Receive Settlement Payment: Members of the SETTLEMENT CLASSES must timely file a CLAIM FORM and W-9 FORM so that it is received by the SETTLEMENT CLAIMS ADMINISTRATOR on or before sixty (60) days after the date the CLASS NOTICE was first mailed to members of the SETTLEMENT CLASSES in order to receive any monetary benefits from this settlement. In the event a member of the SETTLEMENT CLASSES timely files a CLAIM FORM and W-9 FORM but omits any required information, the SETTLEMENT CLAIMS ADMINISTRATOR shall provide the member of the SETTLEMENT CLASSES with twenty days to cure any deficiencies. The SETTLEMENT CLAIMS ADMINISTRATOR’S decision on whether a CLAIM FORM and/or W-9 FORM is sufficiently complete shall be binding on the PARTIES and the member of the SETTLEMENT CLASS.

E. Revocation of Release: Any members of the SETTLEMENT CLASSES who revoke their general release pursuant to the requirements of the Older Workers Benefit Protection Act but fail to exclude themselves in compliance with the procedures set forth above will be deemed to be members of the FINAL SETTLEMENT CLASSES for all purposes under this SETTLEMENT AGREEMENT; will be bound by the terms and conditions of this SETTLEMENT AGREEMENT, the FINAL APPROVAL ORDER, the judgment, and the releases set forth herein; except they shall not be found to have waived their right to pursue any claim under the Fair Labor Standards Act; and will be deemed to have waived all objections and opposition to the fairness, reasonableness, and adequacy of the settlement.

VIII. SETTLEMENT CLAIMS ADMINISTRATION

A. Engagement of Settlement Claims Administrator: Within fifteen (15) days of the execution of this SETTLEMENT AGREEMENT, MASTEC shall engage Settlement Services, Inc. or some other claims administrator who is mutually agreeable to the PARTIES to be the SETTLEMENT CLAIMS ADMINISTRATOR. If the PARTIES are unable to agree on a SETTLEMENT ADMINISTRATOR, the PARTIES shall submit their preference to the Court for appointment, which shall not be subject to appeal. MASTEC shall pay the SETTLEMENT CLAIMS ADMINISTRATOR’S reasonable fees and costs.

B. Duties of Settlement Claims Administrator: The SETTLEMENT CLAIMS ADMINISTRATOR shall be responsible for: (i) calculating the GROSS SETTLEMENT AMOUNTS for members of the SETTLEMENT CLASSES; (ii) preparing, printing and disseminating to members of the SETTLEMENT CLASSES the

CLASS NOTICE, CLAIM FORMS, and W-9 FORM; (iii) preparing, printing and disseminating to AUTHORIZED CLAIMANTS the COURT'S FINAL APPROVAL ORDER; (iv) preparing, monitoring and maintaining a toll-free number and a website to be accessible to members of the SETTLEMENT CLASSES (the website will remain in operation until the opt-out period has expired); (v) promptly furnishing to counsel for the PARTIES copies of any requests for exclusion, objections or other written or electronic communications from members of the SETTLEMENT CLASSES which the SETTLEMENT CLAIMS ADMINISTRATOR receives; (vi) receiving and reviewing the CLAIM FORMS and W-9 FORMS submitted by members of the SETTLEMENT CLASSES to determine eligibility for payment; (vii) determining the SETTLEMENT PAYMENT for each AUTHORIZED CLAIMANT in accordance with this SETTLEMENT AGREEMENT; (viii) keeping track of requests for exclusion including maintaining the original mailing envelope in which the request was mailed; (ix) mailing the settlement checks to AUTHORIZED CLAIMANTS; (x) preparing and mailing counsel's attorneys' fees, expenses, and costs, service payments, and SETTLEMENT PAYMENTS in accordance with this SETTLEMENT AGREEMENT and Order of the COURT; (xi) ascertaining current address and addressee information for each CLASS NOTICE, CLAIM FORM, and W-9 FORM returned as undeliverable and the mailing of CLASS NOTICE, CLAIM FORM, and W-9 FORM; (xii) performing all tax reporting duties required by federal, state or local law; (xiii) responding to inquiries of members of the SETTLEMENT CLASSES regarding the terms of settlement and procedures for filing objections, opt-out forms, and CLAIM FORMS and W-9 FORMS; (xiv) referring to CLASS COUNSEL all inquiries by members of the SETTLEMENT CLASSES regarding matters not within the SETTLEMENT CLAIMS ADMINISTRATOR'S duties specified herein; (xv) responding to inquiries of CLASS COUNSEL

regarding members of the SETTLEMENT CLASSES who have contacted CLASS COUNSEL regarding the terms of settlement for any member of the SETTLEMENT CLASSES, including the SETTLEMENT PAYMENT allocated to members of the SETTLEMENT CLASSES that contact CLASS COUNSEL; (xvi) apprising counsel for the PARTIES of the activities of the SETTLEMENT CLAIMS ADMINISTRATOR; (xvii) maintaining adequate records of its activities, including the dates of the mailing of CLASS NOTICE (s) and mailing and receipt of CLAIM FORM(S), W-9 FORM(s), returned mail and other communications and attempted written or electronic communications with members of the SETTLEMENT CLASSES; (xviii) confirming in writing its completion of the administration of the settlement; (xix) timely responding to communications from the PARTIES or their counsel; and (xx) such other tasks as the PARTIES mutually agree.

1. No later than twenty (20) days prior to the FINAL APPROVAL HEARING, the SETTLEMENT CLAIMS ADMINISTRATOR shall certify jointly to CLASS COUNSEL and MASTEC’S counsel (a) a list of all members of the SETTLEMENT CLASSES who timely filed their CLAIM FORM and W-9 FORM, (b) a list of all members of the SETTLEMENT CLASSES who filed a timely objection, and (c) the percentage and list of all members of the SETTLEMENT CLASSES who request to OPT-OUT of the SST SETTLEMENT CLASS and RCT SETTLEMENT CLASS at any time during the OPT-OUT PERIOD. The SETTLEMENT CLAIMS ADMINISTRATOR shall also provide MASTEC with an updated address list for the members of the SETTLEMENT CLASSES.

2. Upon final COURT approval, MASTEC will provide the SETTLEMENT CLAIMS ADMINISTRATOR with funds to mail to all AUTHORIZED CLAIMANTS who timely file CLAIM FORMS and W-9 FORMS. The SETTLEMENT CLAIMS ADMINISTRATOR shall mail these funds to the address provided by the AUTHORIZED CLAIMANT on the AUTHORIZED CLAIMANT'S CLAIM FORM or at an updated address provided by the AUTHORIZED CLAIMANT.

3. AUTHORIZED CLAIMANTS will have 180 calendar days after settlement checks are mailed out to cash the checks. If any AUTHORIZED CLAIMANTS do not cash their checks within that 180-day period, their check will be voided. In that event, MASTEC will be refunded such amount(s). AUTHORIZED CLAIMANTS who contact CLASS COUNSEL or the SETTLEMENT CLAIMS ADMINISTRATOR within the 180 day period and establish that they have not received and executed their checks to the satisfaction and rectification of the SETTLEMENT CLAIMS ADMINISTRATOR shall be reissued checks and given an additional 60 days to cash the reissued checks.

4. As a condition for payment of any money provided for in this SETTLEMENT AGREEMENT and in consideration thereof, each member of the SETTLEMENT CLASSES (or his or her heirs, estate or personal representative) will be required to execute and deliver a CLAIM FORM, including a release and waiver, in the form attached as Exhibits "3" through "9", which will release MASTEC from and agree not to initiate any legal action against MASTEC for any and all claims settled herein as provided in the Exhibits and complete, execute, and deliver a W-9 FORM, in the form attached as Exhibit 14.

5. All CLAIM FORMS, W-9 FORMS, and any requests to OPT-OUT of the SST SETTLEMENT CLASS or RCT SETTLEMENT CLASS at any time during the OPT-OUT PERIOD shall be filed directly with the SETTLEMENT CLAIMS ADMINISTRATOR at the address indicated on the Form.

6. All CLAIM FORMS and W-9 FORMS must be received by the SETTLEMENT CLAIMS ADMINISTRATOR on or before sixty (60) days after the date the Notice was first mailed to members of the SETTLEMENT CLASSES. The SETTLEMENT CLAIMS ADMINISTRATOR shall mail additional forms to members of the SETTLEMENT CLASSES before the filing deadline if requested to do so by CLASS COUNSEL.

IX. DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

A. CLASS COUNSEL will submit a proposed FINAL ORDER and judgment for review by the COURT at the FINAL APPROVAL HEARING:

1. Approving the settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions.

2. Approving CLASS COUNSEL'S application for an award of attorneys' fees, costs, and expenses.

3. Certifying the SETTLEMENT CLASSES for purposes of settlement only.

4. Dismissing the LITIGATION on the merits and with prejudice and permanently barring all members of the SST STATE LAW CLASS or RCT STATE LAW CLASS who do not timely OPT-OUT from the SST STATE LAW CLASS or RCT STATE LAW CLASS at any time during the OPT-OUT PERIOD from prosecuting

against MASTEC, and the RELEASED PERSONS, as defined earlier in this SETTLEMENT AGREEMENT, any STATE LAW RELEASED CLAIMS which were or could have been asserted by the SST STATE LAW CLASS or RCT STATE LAW CLASS, including without limitation any claims arising out of the acts, facts, transactions, occurrences, representations, or omissions set forth in Plaintiffs' First Amended Complaint in this action, through September 28, 2007, under state and federal law; and barring all members of the FLSA SETTLEMENT CLASS from prosecuting against MASTEC, and the RELEASED PERSONS, as defined earlier in this SETTLEMENT AGREEMENT, any FLSA RELEASED CLAIMS which were or could have been asserted pursuant to the FLSA, including without limitation any claims arising out of the acts, facts, transactions, occurrences, representations, or omissions set forth in the Complaint in this action, through September 28, 2007, upon satisfaction of all payments and obligations hereunder.

X. TERMINATION OF THE SETTLEMENT AGREEMENT

A. Grounds for Settlement Termination: In accordance with the procedures specified in Paragraph X. B, below, this SETTLEMENT AGREEMENT may be terminated on the following grounds:

1. Any PARTY may terminate the SETTLEMENT AGREEMENT if the COURT declines to enter the PRELIMINARY APPROVAL ORDER, FINAL APPROVAL ORDER or judgment in the form submitted by the PARTIES, or the settlement as agreed does not become final for any other reason.

2. If twenty percent (20%) or more of the members of the SST STATE LAW CLASS and RCT STATE LAW CLASS exercise their rights to OPT-OUT

and be excluded from the SST STATE LAW CLASS or RCT STATE LAW CLASS and this SETTLEMENT AGREEMENT, Defendants shall have the right, notwithstanding any other provisions of this SETTLEMENT AGREEMENT, to withdraw from this SETTLEMENT AGREEMENT, whereupon the SETTLEMENT AGREEMENT will be null and void for all purposes and may not be used or introduced in further LITIGATION or any other proceeding of any kind.

B. Procedures for Termination: To terminate this SETTLEMENT AGREEMENT on one of the grounds specified above, the terminating Party shall give written notice to the other Party no later than:

1. 15 business days after the COURT acts; or

2. 15 business days after a Notice of Appeal is filed; or

3. 15 business days after Defendants receive notice from the SETTLEMENT CLAIMS ADMINISTRATOR that the requisite number of members of the SETTLEMENT CLASSES timely requested exclusion from the FINAL SETTLEMENT CLASS.

C. Effect of Termination: Termination shall have the following effects:

1. The SETTLEMENT AGREEMENT shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;

2. In the event the settlement is terminated, MASTEC shall have no obligation to make any payments to any party, class member or attorney, except that Defendants shall pay the SETTLEMENT CLAIMS ADMINISTRATOR for services rendered up to the date the SETTLEMENT CLAIMS ADMINISTRATOR is notified that the settlement has been terminated;

3. The PRELIMINARY APPROVAL ORDER, FINAL APPROVAL ORDER and judgment, including any order of class certification, shall be vacated;

4. The SETTLEMENT AGREEMENT and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the PARTIES, all of whom shall be restored to their respective positions in the action prior to the settlement;

5. Neither this SETTLEMENT AGREEMENT, nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the LITIGATION or any other action for any purpose whatsoever.

XI. PARTIES' AUTHORITY

The signatories hereby represent that they are fully authorized to enter into this settlement and bind the PARTIES hereto to the terms and conditions hereof.

XII. MUTUAL FULL COOPERATION

The PARTIES agree to fully cooperate with each other to accomplish the terms of the SETTLEMENT AGREEMENT, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of the SETTLEMENT AGREEMENT. The PARTIES to the SETTLEMENT AGREEMENT shall use their best efforts, including all efforts contemplated by the SETTLEMENT AGREEMENT and any other efforts that may become necessary by order of the COURT, or otherwise, to effectuate the SETTLEMENT AGREEMENT and

the terms set forth herein. As soon as practicable after execution of the SETTLEMENT AGREEMENT, CLASS COUNSEL shall, with the assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the COURT'S final approval of the SETTLEMENT AGREEMENT.

XIII. NOTICES

Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To the Plaintiff Classes:

Sam J. Smith
Burr & Smith, LLP
422 W. Kennedy Blvd, Suite 300
Tampa, FL 33606
ssmith@burrandsmithlaw.com

To the Defendants:

Lisa A. Schreter
Littler Mendelson, P.C.
3348 Peachtree Road, NE, Suite 1100
Atlanta, GA 30326
lschreter@littler.com

XIV. CONSTRUCTION

The PARTIES hereto agree that the terms and conditions of the SETTLEMENT AGREEMENT are the result of lengthy, intensive, arms-length negotiations among the PARTIES, and that the SETTLEMENT AGREEMENT shall not be construed in favor of

or against any party by reason of the extent to which any party or his, her or its counsel participated in the drafting of the SETTLEMENT AGREEMENT.

XV. CLASS COUNSEL SIGNATORIES

It is agreed that because the members of the SETTLEMENT CLASSES are so numerous, it is impossible or impractical to have each member of the SETTLEMENT CLASSES execute the SETTLEMENT AGREEMENT. The CLASS NOTICE will advise all members of the SETTLEMENT CLASSES of the binding nature of the release, and that the release will have the same force and effect as if the SETTLEMENT AGREEMENT were executed by each member of the SETTLEMENT CLASSES.

XVI. COUNTERPARTS

The SETTLEMENT AGREEMENT may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one SETTLEMENT AGREEMENT, which shall be binding upon and effective as to all PARTIES.

IN WITNESS WHEREOF, the undersigned have duly executed this SETTLEMENT AGREEMENT on October 22, 2007:

CLASS COUNSEL

____

Sam J. Smith
FL Bar No. 0818593
Marguerite M. Longoria
FL Bar No. 0998915
Burr & Smith, LLP
442 W. Kennedy Blvd., Suite 300
Tampa, Florida 33606-1495
813-253-2010
ssmith@burrandsmithlaw.com
mlongoria@burrandsmithlaw.com

MASTEC

____

Lisa A. Schreter
GA Bar No. 629852
Littler Mendelson, PC
3348 Peachtree Road, NE Suite 1100
Atlanta, GA 30326
404-233-0330
lschreter@littler.com

David J. Linesch
FL Bar No. 0376078
The Linesch Firm
700 Bee Pond Road
Palm Harbor, Florida 34683
727-786-0000
laborlaw@lineschfirm.com

MasTec, Inc.

Robert S. Norell
FL Bar No. 0996777
Robert S. Norell, P.A.
8751 W. Broward Blvd., Suite 410
Plantation, FL 33324
954-617-6017
robnorell@aol.com

MasTec North America, Inc.

David Borgen
CA Bar No. 99354
Goldstein, Demchak, Baller, Borgen
& Dardarian, P.C.
300 Lakeside Drive, Suite 1000
Oakland, CA 94612
510-763-9800
borgen@gdblegal.com

Exhibit 31.1

CERTIFICATIONS REQUIRED BY SECTION 302(A)
OF SARBANES-OXLEY ACT OF 2002

I, Jose R. Mas, certify that:

I have reviewed this quarterly report on Form 10-Q of MasTec, Inc.;

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 quarterly report;

Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

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 internal control over financial reporting (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my 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 quarterly 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 quarterly 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 quarterly 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.

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.

Date: November 6, 2007

/s/ Jose R. Mas
Jose R. Mas
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS REQUIRED BY SECTION 302(A)
OF SARBANES-OXLEY ACT OF 2002

I, C. Robert Campbell, certify that:

I have reviewed this quarterly report on Form 10-Q of MasTec, Inc.;

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 quarterly report;

Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

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 internal control over financial reporting (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my 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 quarterly 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 quarterly 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 quarterly 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.

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.

Date: November 6, 2007

/s/ C. Robert Campbell
C. Robert Campbell
Chief Financial Officer
(Principal Financial and Accounting Officer)

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 MasTec, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jose R. Mas, President and Chief Executive Officer of MasTec, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(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.

Date: November 6, 2007

/s/ Jose R. Mas
Jose R. Mas
President and Chief Executive Officer
(Principal Executive Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Quarterly Report on Form 10-Q for the period ended September 30, 2007, or as a separate disclosure documents of we or the certifying officers.

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 MasTec, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Robert Campbell, Chief Financial Officer of MasTec, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(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.

Date: November 6, 2007

/s/ C. Robert Campbell
C. Robert Campbell
Chief Financial Officer
(Principal Financial and Accounting Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Quarterly Report on Form 10-Q for the period ended September 30, 2007, or as a separate disclosure documents of we or the certifying officers.