

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31,1997

Commission file number 0-3797

MASTEC, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	59-1259279 (I.R.S. Employer Identification No.)
3155 N.W. 77th Avenue, Miami, FL (Address of principal executive offices)	33122-1205 (Zip Code)

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

Securities registered pursuant to Section 12(b) of
the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.10 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of
the Act:

None

(Title of each class)

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 period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The number of shares of Common Stock outstanding as of March 20, 1998 was 27,736,541. The aggregate market value of the voting stock held by non-affiliates of the registrant computed by reference to the closing price of the registrant's Common Stock on the New York Stock Exchange on March 20, 1998 was \$428,346,532. Directors, executive officers and 10% or greater stockholders are considered affiliates for purposes of this calculation but should not necessarily be deemed affiliates for any other purpose.

Documents Incorporated by Reference

Portions of the registrant's Proxy Statement for the 1998 Annual Meeting of Stockholders to be held on May 14, 1998, which will be filed with the Commission on or before April 15, 1998, are incorporated by reference into Part III.

Certain statements included in this Annual Report are forward-looking, such as statements regarding the future prospects of the telecommunications construction industry and the Company's growth strategy. These forward-looking statements are based on the Company's current expectations and are subject to a number of risks and uncertainties that could cause actual results in the future to differ significantly from results expressed or implied in any forward-looking statements included in this Annual Report. These risks and uncertainties include, but are not limited to, uncertainties relating to the Company's relationships with key customers and implementation of the Company's growth strategy. These and other risks are detailed in this Annual Report and in other documents filed by the Company with the Securities and Exchange Commission.

1. BUSINESS

General

MasTec is one of the world's largest contractors specializing in the design, installation and maintenance of infrastructure for the telecommunications and other utilities industry. The Company's business consists of the installation of aerial and underground copper, coaxial and fiber optic cable networks as well as wireless antenna networks ("outside plant services"). The Company believes it is the largest independent contractor for these systems in the United States and Spain, and one of the largest in Argentina, Brazil, Chile and Peru. The Company also installs central office switching equipment,

and designs, installs and maintains integrated voice, data and video local and wide area networks inside buildings ("inside wiring"). Clients for the Company's services include major domestic and international telecommunication service providers such as the regional Bell operating companies ("RBOCs"), other incumbent and competitive local exchange carriers, cable television operators, long-distance operators and wireless phone companies. The Company also provides infrastructure construction services to the electric power industry and other public utilities.

MasTec has experienced significant and consistent growth as a result of its favorable trends in the telecommunications industry, its ability to identify and integrate strategic acquisitions and, its competitive position as one of the largest providers of infrastructure services. The Company's revenue has increased from \$142.6 million in 1994 to \$703.4 million in 1997. The Company expects to continue to grow through additional strategic acquisitions as well as through internal expansion. Since January 1996, the Company has completed 16 domestic and three foreign acquisitions and actively continues to pursue complimentary acquisitions in the highly fragmented infrastructure services industry. Internal growth is expected to be driven by the expansion of the global telecommunications and power distribution industries resulting from (i) continued global deregulation, which is allowing numerous new service providers to enter the marketplace and is increasing the competitive pressure on existing participants to upgrade and expand their networks; (ii) increasing consumer demand for advanced communications services which require the upgrading of existing infrastructure to handle increased bandwidth needs; and (iii) increasing reliance on outsourcing of infrastructure needs to full service contractors by service providers in an effort to reduce costs and focus on their core competencies.

Competitive Strengths

The Company seeks to differentiate itself from its competitors through the following characteristics:

Strong Customer Relationships. Founded in 1929, the Company has developed strong relationships with numerous telecommunications service providers by providing high quality services in a cost and time efficient manner. The Company has been providing services to Telefonica de Espana, S.A. ("Telefonica") and BellSouth Telecommunications, Inc. ("BellSouth"), its two largest customers, since 1950 and 1969, respectively, and maintains similar long-term relationships with many of its other customers. For the year ended December 31, 1997, the company derived approximately 26% and 12% of its revenue from services performed for Telefonica and BellSouth, respectively. MasTec currently has 23 multi-year service contracts with Telefonica, the RBOCs and other telecommunications service providers for certain of their outside plant requirements up to a specific dollar amount per job and within certain geographic areas.

Diverse Customer Base. MasTec provides a full range of infrastructure services to a diverse customer base. Domestically, the Company provides outside plant services to local exchange customers such as BellSouth, US West Communications, Inc., SBC Communications, Inc., United Telephone Company of

Florida, Inc. (a subsidiary of Sprint Corporation ("Sprint")) and GTE Corporation. The Company also provides outside plant services to competitive local exchange carriers such as MFS Communications Company, Inc., Sprint Metropolitan Networks, Inc. and MCI Metro, Inc. (the local telephone subsidiaries of Sprint and MCI Communications Corporation ("MCI"), respectively), cable television operators such as Time Warner Inc., Cox Communications, Inc. and Marcus Cable Company, long distance carriers such as MCI and Sprint, and wireless communications providers such as PrimeCo Personal Communications LP and Sprint Spectrum, L.P. Internationally, the Company provides outside plant services, turn-key switching systems installation and inside wiring services primarily to Telefonica, the principal telephone company in Spain, and Telefonica's affiliates in Argentina, Chile and Peru. The Company also services the local telephone subsidiaries of Telecomunicacoes Brasileiras S.A. ("Telebras"), the Brazilian government-owned telecommunications system, in Sao Paulo, Rio de Janeiro, Parana and other states in the more populous and developed Southern region of Brazil, as well as Companhia Riograndense de Telecomunicacoes S/A ("CRT"), the local telephone company in Rio Grande do Sul which is partly owned by Telefonica. For the year ended December 31, 1997, the Company derived approximately 11% of its revenue from services performed for Telebras.

The Company renders inside wiring services nationwide to large corporate customers with multiple locations such as First Union National Bank, International Business Machines Corporation ("IBM") and Dean Witter Reynolds Inc., and to universities and health care providers.

Turn-key Capabilities. The Company believes it is one of the few contractors capable of providing all of the design, installation and maintenance services necessary for a cable or wireless network starting from a transmission point, such as a central office or head-end, and running continuously through aerial and underground cables to the ultimate end users' voice and data ports, cable outlets or cellular stations. The Company can also install the switching devices at a central office or set up local and wide area voice, data and video networks to expand a business' telecommunications infrastructure both inside a specific structure or between multiple structures.

The Company believes that its customers increasingly are seeking comprehensive solutions to their infrastructure needs by turning to fewer qualified contractors who have the size, financial capability and technical expertise to provide a full range of infrastructure services. The Company believes that this trend will accelerate as industry consolidations increase and as these consolidated entities begin to provide bundled services to end users. The Company believes it has positioned itself through acquisitions and internal growth as a full service provider of outside plant and inside wiring infrastructure services to take advantage of this trend.

Broad Geographic Presence. The Company has significantly broadened its geographic presence in recent years through strategic acquisitions. Domestically, MasTec has expanded beyond its historical base in the Southeastern United States and currently has operations in more than 30 states in the Southeast, mid-Atlantic, Southwest, West and upper Midwest regions of the country. The Company also substantially increased its international operations through the acquisition in April 1996 of Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel"), the largest telecommunications infrastructure contractor in Spain, and through the acquisition in July 1997 of a majority interest in MasTec Inepar S/A Sistemas de Telecomunicacoes ("MasTec Inepar"), a leading telecommunications construction company in Brazil. Due to its broad geographic presence, the Company believes that it is well suited to service customers with operations across the United States as well as companies that are active in multiple areas of the world such as multinational corporations and telecommunications service providers that are expanding into international markets. In addition, by developing business in many geographic regions, the Company believes it is less susceptible to changes in the market dynamics in any one region.

Growth Strategy

The Company is pursuing a disciplined strategy of growth and diversification in its core business through strategic acquisitions and internal expansion as follows:

Strategic Acquisitions. The Company plans to continue to pursue strategic acquisitions in the fragmented telecommunications and utilities infrastructure industry that either expand its geographic coverage and customer base or broaden the range of services it can offer to clients. The Company focuses its acquisition efforts primarily on companies with successful track records and strong management. The Company has acquired 19 companies since January 1996 and has significant experience in identifying, purchasing and integrating telecommunications infrastructure businesses both domestically and internationally. Management believes that MasTec is able to improve the acquired companies' operating performance by providing strategic guidance, administrative support, greater access to capital and savings in the cost of capital, purchasing and insurance costs.

Internal Expansion. The Company believes it is poised to capitalize on the anticipated growth in its industry due to its status as one of the world's largest telecommunications infrastructure contractors and its strong customer relationships. The International Telecommunications Union estimates that between 1996 and 2000 telecommunications infrastructure investment will exceed \$50 billion in the United States and \$600 billion worldwide. In addition, the Company believes that the RBOCs and other utilities in the United States, which still conduct a significant portion of their construction work in-house, will out-source more infrastructure construction in the future in response to competitive pressures to cut costs, streamline their operations and focus on their core competencies. The Company believes that its reputation for quality and reliability, operating efficiency, financial strength, technical expertise, presence in key geographic areas and ability to offer a full range of construction services make it well positioned to compete for this business, particularly the larger, more technically complex infrastructure projects.

The Company also anticipates that its Brazilian operations will become a more significant part of its operations. The Brazilian government has estimated that approximately \$75 billion will need to be invested over a seven year period in order to modernize and expand Brazil's telecommunications infrastructure. To accomplish this objective, the government has stated its intention of deregulating and privatizing Brazil's telecommunications system. The Company believes that, through MasTec Inepar, it is well positioned to participate in this anticipated expansion.

In addition to focusing on its core telecommunications customers, the Company plans to achieve incremental growth by continuing to develop complementary lines of businesses. These businesses include the provision of premise wiring services to corporations and infrastructure construction services to the electric power industry and other public utilities.

Services, Markets and Customers

The Company's principal business is the provision of telecommunications and other utilities infrastructure construction services, consisting of both outside plant services and inside wiring services. For the years ended, December 31, 1995, 1996 and 1997, the percentage of the Company's total revenue generated by outside plant services was 91%, 84%, and 84%, respectively, and by inside wiring services was 9%, 16% and 16%, respectively. The Company operates in North America, Spain, Argentina, Chile, Peru, and Brazil. See Note 9 of Notes to Consolidated Financial Statements for a description of revenue, operating profit and identifiable assets attributable to the Company's North American and International operations.

Telecommunications Construction - North American Operations

Outside Plant Construction. The Company's principal domestic business consists of outside plant services for telecommunications providers, including incumbent and competitive local exchange carriers, cable television operators, long-distance carriers and wireless communications providers. Outside plant services consist of all of the services necessary to design, install and maintain the physical facilities used to provide telecommunications services from the provider's central office, switching center or cable headend to the ultimate consumer's home or business. These services include the placing and splicing of cable, the excavation of trenches in which to place the cable, the placing of related structures such as poles, anchors, conduits, manholes, cabinets and closures, the placing of drop lines from the main transmission lines to the customer's home or business, and the maintenance and removal of these facilities. The Company has developed expertise in directional boring, a highly specialized and increasingly common method of placing buried cable networks in congested urban markets without digging a trench.

The Company provides a full range of outside plant services to its telecommunications company customers, although certain of the Company's customers, principally the RBOCs, handle certain of these services in-house. The Company's customers generally supply materials such as cable, conduit and telephone equipment, and the Company provides the expertise, personnel, tools and equipment necessary to perform the required installation and maintenance services.

The Company currently provides outside plant services primarily to customers in Alabama, Alaska, Arizona, California, Colorado, Florida, Georgia, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, North Carolina, North Dakota, South Dakota, South Carolina, Tennessee, Texas, Virginia and Wyoming, as well as Ontario, Canada. Principal customers for telecommunications outside

plant services include BellSouth, US West Communications, Inc., SBC Communications, Inc., the long distance and local exchange subsidiaries of both MCI and Sprint, GTE Corp., MFS Communications Company, Inc., Time Warner Inc., Cox Communications, Inc. and Marcus Cable Company.

Services rendered to the Company's incumbent local exchange customers, including BellSouth, are performed primarily under master contracts, which typically are exclusive service contracts to provide all of the carrier's outside plant requirements up to a specified dollar amount per job within certain geographic areas. These contracts generate revenue ranging between \$3.0 million and \$30.0 million over their respective terms, generally two to three years. Such contracts are typically subject to termination at any time upon 90 to 180 days prior notice to the Company. Each master contract contemplates hundreds of individual construction and maintenance projects generally valued at less than \$100,000 each. These contracts typically are awarded on a competitive bid basis, although customers are sometimes willing to negotiate contract extensions beyond their original terms without opening them up to bid. The Company currently has 20 master contracts with telecommunications customers covering defined regions within the United States, including 12 with BellSouth.

In addition to services rendered pursuant to master contracts, the Company provides outside plant services on individual projects awarded on a competitive bid basis or through individual negotiation. While such projects generally are substantially larger than the individual projects covered by master contracts, they typically require the provision of services identical to those rendered under master contracts.

The Company also provides turn-key site acquisition, design, installation and maintenance services to the wireless communications industry, including site acquisition and preparation, design and construction of communications towers, placement of antennas and associated wiring, and construction of equipment huts.

The Company provides outside plant construction services to electric power companies and other public utilities, including the City of Austin Electric Department, City Public Service of San Antonio, Duke Energy Corporation, Florida Power and Light Company, Florida Power Corporation, Jacksonville Electric Authority, Memphis Light, Gas and Water Division, Texas Utilities Company, Carolina Power & Light Co., and Georgia Power Co., and a number of regional electrical cooperatives. These services, which are substantially similar to the outside plant services provided to telecommunications companies, include directional boring for conduit and pipes, trenching, placing of electric cables, and restoring asphalt and concrete surfaces. Services to many of these customers are provided under exclusive master contracts with two to three year initial terms expiring at various dates.

Inside Premises Construction. The Company provides design, installation and maintenance of integrated voice, data and video networks inside buildings for large companies with multiple locations such as First Union National Bank, IBM and Dean Witter Reynolds Inc., for college campuses such as the University of California at Riverside and the University of Miami and for health care providers such as Carolina Medical Center and Kaiser Permanente. The Company provides these services primarily on the east and west coasts of the United States although the Company is capable of providing these services nationwide.

Inside wiring services consist of designing, installing and maintaining local area networks and wide area networks linking the customers' voice communications networks at multiple locations with their data and video services. This type of work is similar to outside plant construction; both involve the placing and splicing of copper, coaxial and fiber optic cables. Inside wiring is less capital intensive than outside plant construction but requires a more technically proficient work force.

The Company contracts with primary contractors to provide services to First Union National Bank and IBM under subcontracts that are similar to master contracts in the outside plant business because they grant the Company the exclusive right to provide inside wiring services to these customers within certain geographic regions. The Company also provides inside wiring services on individual projects that are awarded on a competitive bid basis or through individual negotiation. The Company intends to take advantage of the fragmentation of the inside wiring industry by marketing a full range of inside wiring services to large corporations with multiple locations across the country. The Company believes that these types of customers increasingly are seeking a single vendor to provide all of their inside wiring.

The Company is one of two distributors in the United States, Canada and Mexico of a fiber optic cable installation technology known as FutureFlex. This technology allows the installation of individual strands of optical fiber by

means of compressed gas blown through flexible tubing without the necessity of cutting or splicing the cable except at the terminal points. As a result, the network can be expanded, changed or moved more easily and cost-effectively.

Telecommunications Construction - International Operations

Overview. The Company is engaged in the telecommunications and other utility construction business internationally, a wholly owned subsidiary of the Company, primarily in Argentina, Brazil, Chile, Peru and Spain through Sintel and its affiliates and MasTec Inepar. Sintel is a Spanish company that has provided telecommunications construction services to Telefonica and Telefonica's affiliates since 1950. Telefonica is the principal provider of local and long distance telephony in Spain. Through its affiliate, Telefonica Internacional, S.A., Telefonica owns interests in certain local telephone companies in Argentina, Brazil, Chile and Peru. Through Sintel, the Company is the leading provider of telecommunications infrastructure services to Telefonica and its affiliates in Spain, and one of the leading providers of these services to Telefonica's affiliates in Argentina, Chile and Peru.

The Company renders telecommunications construction services in Brazil through MasTec Inepar, a Brazilian company owned 51% by the Company and 49% by Inepar SA Industrias e Construcoes ("Inepar"), a leading telecommunications and power infrastructure and equipment company in Brazil. MasTec Inepar was formed in July 1997 to take advantage of construction opportunities created by the privatization, de-monopolization and deregulation of the Brazilian telecommunications market.

Spanish Operations. In Spain, Sintel's principal business is providing outside plant services, inside wiring services and equipment installation to Telefonica and its affiliates. These services are substantially similar to those provided by the Company in the United States. Sintel also installs Telefonica telephone equipment in residences and businesses. Sintel's Spanish operations are concentrated in Spain's largest commercial centers, Madrid, Barcelona, Seville and Valencia, and surrounding areas, although Sintel maintains a presence throughout Spain.

Sintel provides the largest percentage of Telefonica's outside plant services requirements. Sintel provides the bulk of these services under three separate multi-year comprehensive services contracts, which are similar to master contracts in the United States, for distinct types of outside plant services: (i) placement and splicing of communications lines; (ii) trenching and placing of conduits; and (iii) placing of drop lines to residences and businesses. These agreements set the unit prices at which Sintel will render services to Telefonica and establish the percentage of Telefonica's requirements in these categories that will be satisfied by Sintel in particular geographic areas of Spain. These three contracts expire at the end of 1998; the Company expects to negotiate new comprehensive services contracts with Telefonica beginning in October 1998. Telefonica enters into similar agreements with Sintel's principal competitors in Spain. The Company believes that Telefonica considers various factors in awarding these contracts and setting their terms, including price, quality, technical proficiency and the contractor's relationship with Telefonica. Telefonica also awards individual projects through a competitive bidding process or through individual negotiation.

In addition to outside plant services, Sintel provides inside wiring services to Telefonica that are substantially similar to those provided by the Company in the United States. Sintel also installs transmission equipment, central office switching equipment, power generating equipment and cellular equipment for telecommunications systems for Telefonica. This equipment includes multiplexers, carrier systems and microwave systems, and central office equipment such as frames, protectors, connector blocks, batteries and power systems, and cellular antennas and cell sites. The contracts for this work are awarded on a competitive bid basis or through individual negotiation.

Telefonica is the principal provider of local and long distance telephony in Spain. As a result of European Union initiatives, Spain must liberalize its telecommunications industry by December 1, 1998 to permit competitors to Telefonica. In July 1997, a second license to provide public switched telephony was awarded to Retevision, S.A. ("Retevision"), which is owned partly by the Spanish government, Societa Finanziaria Telefonica per Azioni SpA ("STET"), an Italian telephone company, and Empresa Nacional de Electricidad, S.A., a Spanish electric utility company. Retevision has begun providing local telephony in Spain in 1998, and a third local and long distance telephony license is expected to be awarded by May 30, 1998. By December 1, 1998, it is expected that the industry will be completely open to competition. The Company believes that the increased competition in the Spanish telephony market will increase demand for outside plant services in Spain as new service providers build competing networks. The Company has commenced providing telecommunications construction services to Retevision.

Sintel also installs and maintains cable television networks for Telefonica and its affiliates and for Retevisión. The Spanish cable television market has been underdeveloped due to the lack of a legal structure for the provision of cable telecommunications services in Spain. In 1997, a legal structure for the provision of these services was completed and 21 new licenses to provide cable television services have been awarded and applications for 13 additional licenses are pending. In addition, as of January 1, 1998, cable operators are entitled to provide local telephony within their service areas as well as long distance telephony. The Company anticipates that the demand for construction services to the cable television industry will increase significantly as new networks are constructed and existing networks are upgraded. Sintel also has begun providing infrastructure services to the electric power industry through a recently formed joint venture with a Portuguese electrical contractor.

Argentina, Chile, Peru Operations. The Company operates in Argentina, Chile and Peru through unconsolidated subsidiaries in which the Company holds a 50% interest. The other 50% interests in these subsidiaries are held by established local infrastructure construction companies and operational control is shared by the Company and its local partner. In Argentina and Chile, the Company's partner is a subsidiary of Sociedad Macri, one of the largest commercial groups in Argentina. In Peru, the Company's partner is a subsidiary of Grana y Montero, S.A., a leading construction company in Peru. The principal shareholder of Grana y Montero, S.A., is a shareholder and a director of Telefonica del Peru. The Company's Latin American affiliates primarily provide outside plant services, cable television installation and similar services to Telefonica's local telephone company affiliate in each of the countries in which the affiliate is located: Telefonica de Argentina in Argentina; Compania de Telefonos de Chile in Chile; and Telefonica del Peru in Peru. As part of the agreement with Sociedad Macri for the acquisition of its interest in Sintel's Argentine affiliate, Sociedad Macri has contributed to the affiliate certain of its telecommunications construction contracts with Telecom de Argentina, S.A., the principal provider of local telephony in northern Argentina.

Brazilian Operations. MasTec Inepar, a Brazilian company, was formed in July 1997 by the Company and Inepar. As part of the formation, Inepar transferred the personnel, qualifications and other assets of its telecommunications construction division to MasTec Inepar together with contracts for specific projects with prices totaling approximately \$280 million. These contracts cover the provision of outside plant services for the local exchange subsidiaries of Telebras, the Brazilian government-owned telecommunications company, particularly in Sao Paulo, Rio de Janeiro, Parana and other states in the more populous and developed southern region of Brazil. MasTec Inepar also provides services to CRT, the local telephone company in Rio Grande do Sul which is partly owned by Telefonica. The services provided are principally outside plant services for wireless communications networks.

Telecommunications Investments

The Company has invested in certain telecommunications businesses located in or servicing Latin America. These include minority interests in Supercanal Holding, S.A. ("Supercanal") and related entities, which operate a cable television system in Argentina, and in Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel"), an Ecuadorian cellular company. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company also recently acquired a license in Paraguay to construct and operate a nationwide personal communication system ("PCS"), and has reached agreement with Inepar, its partner in MasTec Inepar, and with Sociedad Macri, its partner in Argentina and Chile, to share in development of the system. The agreement with Inepar and Sociedad Macri regarding Paraguay provides that MasTec Inepar will construct the system.

Sales and Marketing

Executives of the Company's outside plant subsidiaries market outside plant services to existing and potential telecommunications and other utility customers in order to negotiate new contracts or be placed on lists of vendors invited to submit bids for master contracts and individual construction projects. Inside premises services are marketed both by the executives of the subsidiaries that provide these services and through commissioned salespeople employed by the Company. The Company is developing a company-wide marketing plan to emphasize the "MasTec" brand name to national and international customers.

Suppliers

The Company's customers supply the majority of the raw materials and supplies necessary to carry out the Company's contracted work. The Company is not dependent on any one supplier for any raw materials or supplies that the Company obtains for its own account other than the FutureFlex airblown fiber product that the Company distributes for Sumitomo Electric Lightwave Co.

Competition

The industry in which the Company competes is highly competitive and fragmented. The Company competes with a number of contractors in the markets in which it operates, ranging from small independent firms servicing local markets to larger firms servicing regional markets, as well as with large national and international equipment vendors on turn-key projects who subcontract construction work to contractors other than the Company. These equipment vendors typically are better capitalized and have greater resources than the Company. Most companies engaged in the same or similar business tend to operate in a specific, limited geographic area, although larger competitors may bid on a particular project without regard to location. Although the Company believes it is the largest provider of infrastructure services to the telecommunications and other utilities industry in the United States and Spain and one of the largest in Argentina, Brazil, Chile and Peru, neither the Company nor any of its competitors can be considered dominant in the industry on a national or international basis. The Company also faces competition from the in-house construction and maintenance departments of RBOCs and other customers and potential customers, which employ personnel who perform some of the same types of services as those provided by the Company.

Employees

As of December 31, 1997, the Company (excluding its unconsolidated companies) had approximately 7,850 employees, 4,600 of whom are employed in domestic operations and 3,250 of whom are employed in international operations. Approximately 100 of the Company's domestic employees and approximately 3,200 of Sintel's employees are unionized. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Overview" for a discussion of Sintel's labor relations.

2. PROPERTIES

The Company's corporate headquarters are located in a 60,000 square foot building owned by the Company in Miami, Florida. The Company also has regional offices in owned facilities located in Tampa, Florida, Austin, Texas and Charlotte, North Carolina. Sintel's principal executive offices are located in leased premises in Madrid, Spain and MasTec Inepar's principal executive offices are located in leased premises in Sao Paulo, Brazil.

The Company's principal operations are conducted from field offices, equipment yards and temporary storage locations, none of which the Company believes is material to its operations because most of the Company's services are performed on the customers' premises or on public rights of way. In addition, the Company believes that equally suitable alternative locations are available in all areas where it currently does business.

3. LEGAL PROCEEDINGS

The following is a summary of legal proceedings involving the Company.

In December 1990, Albert H. Kahn, a stockholder of the Company, filed a class action and derivative suit in Delaware state court against the Company, the then-members of its Board of Directors and National Beverage Corporation ("NBC"), the Company's then-largest stockholder. The complaint alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties in approving certain transactions. The lawsuit seeks to rescind these transactions and to recover damages in an unspecified amount.

In November 1993, Mr. Kahn filed a class action and derivative complaint against the Company, the then members of its Board of Directors, and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal shareholders of the Company. The lawsuit alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties by approving the terms of the acquisition of the Company by the Mas family, and that the Mas family had knowledge of the fiduciary duties owed by NBC and the Company's Board

of Directors and knowingly and substantially participated in the breach of these duties. The lawsuit also claims derivatively that each member of the Company's Board of Directors engaged in mismanagement, waste and breach of fiduciary duties in managing the Company's affairs prior to the acquisition by the Mas family.

There has been no activity in either of these lawsuits in more than one year. The Company believes that the allegations in each of these lawsuits are without merit and intends to defend these lawsuits vigorously.

In November 1997, Church & Tower, Inc., a wholly-owned subsidiary of the Company ("Church & Tower"), filed a lawsuit against Miami-Dade County (the "County") in Florida state court alleging breach of contract and seeking damages exceeding \$3.0 million in connection with the County's refusal to pay amounts due to Church & Tower under a multi-year agreement to perform road restoration work for the Miami-Dade Water and Sewer Department ("MWSD"), a department of the County, and the County's wrongful termination of the agreement. The County has refused to pay amounts due to Church & Tower under the agreement until alleged overpayments under the agreement have been resolved, and has counterclaimed against Church & Tower seeking damages. The Company believes the counterclaim, if successful, will not exceed \$2.1 million. The County also has refused to award a new road restoration agreement for MWSD to Church & Tower, which was the low bidder for the new agreement. The Company believes that any amounts due to the County under the existing agreement are not material and may be recoverable in whole or in part from Church & Tower subcontractors who actually performed the work and whose bills were submitted directly to the County.

The Company is a party to other pending legal proceedings arising in the normal course of business, none of which the Company believes is material to the Company's financial position or results of operations.

4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There was no vote of security holders during the fourth quarter of the last fiscal year.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of the names and ages of all of the executive officers of the Company, indicating all positions and offices with the Company held by each such person, and each such person's principal occupation or employment during the past five years. The executive officers hold office for one year or until their successors are elected by the Board of Directors.

Name	Age	Position
Jorge Mas	35	Chairman of the Board of Directors, President and Chief Executive Officer
Henry N. Adorno	50	Executive Vice President and Special Counsel
Ismael Perera	49	Senior Vice President-Operations
Edwin D. Johnson	41	Senior Vice President-Chief Financial Officer
Carlos A. Valdes	34	Senior Vice President-Corporate Development
Jose M. Sario	43	Senior Vice President-General Counsel

Jorge Mas has been President, Chief Executive Officer and a director of the Company since March 1994 and was elected Chairman of the Board of Directors of the Company in January 1998. Prior to that time and during the preceding five years, Mr. Mas served as the President and Chief Executive Officer of Church & Tower. In addition, Mr. Mas is the Chairman of the Board of Directors of Neff Corporation, a company that sells and leases construction equipment, Atlantic Real Estate Holding Corp., a real estate holding company, U.S. Development Corp., a real estate development company and Santos Capital, Inc., a merchant banking firm (all private companies controlled by Mr. Mas) and, during all, or a portion of the past five years, has served as the President and Chief Executive Officer of these corporations.

Henry N. Adorno was elected Executive Vice President and Special Counsel of the Company in January 1998. Prior to joining the Company, Mr. Adorno was President and Chief Executive Officer of Adorno & Zeder, P.A., a Miami law firm that he co-founded in 1986.

Ismael Perera has been Senior Vice President-Operations of the Company since March 1994. From August 1993 until March 1994, he served as the Vice President-Operations of Church & Tower. From 1970 until July 1993, Mr. Perera served in various capacities in network operations for BellSouth, including most recently as a Senior Director of Network Operations from 1985 to 1993.

Edwin D. Johnson has been Senior Vice President-Chief Financial Officer of the Company since March 1996. During the 10 years prior to joining the Company, Mr. Johnson served in various capacities with Attwoods plc, a British waste services company, including Chief Financial Officer and member of the Board of Directors during the final three years of his employment with Attwoods.

Carlos A. Valdes has been Senior Vice President-Corporate Development of the Company since March 1996. Prior to that time, Mr. Valdes was Senior Vice President-Finance of the Company from March 1994 to March 1996 and Chief Financial Officer of Church & Tower from 1991 to 1994.

Jose M. Sariego has been Senior Vice President-General Counsel of the Company since September 1995. Prior to joining the Company, Mr. Sariego was Senior Corporate Counsel and Secretary of Telemundo Group, Inc., a Spanish language television network, from August 1994 to August 1995. From January 1990 to August 1994, Mr. Sariego was a partner in the Miami office of Kelley Drye & Warren, an international law firm.

5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock currently is listed on the New York Stock Exchange under the symbol MTZ. Prior to February 14, 1997, the Common Stock was listed on the Nasdaq National Market under the symbol MASX. The high and low closing prices of the Common Stock for each quarter of the last two fiscal years, as reported by the New York Stock Exchange and Nasdaq, are set forth below:

	1997		1996	
	High	Low	High	Low
First Quarter	\$ 68 7/8	\$ 23	\$ 12 5/8	\$ 9 1/2
Second Quarter	\$ 47 15/16	\$ 26 1/2	\$ 35 3/4	\$ 11 3/8
Third Quarter	\$ 54 3/8	\$ 39	\$ 38 3/8	\$ 21 1/2
Fourth Quarter	\$ 45 1/16	\$ 20 3/4	\$ 57 3/4	\$ 32 5/8

The above quotations reflect interdealer prices, without retail mark up, mark down or commission, and may not necessarily represent actual transactions. The Company's Board of Directors declared a three-for-two stock split in the form of a stock dividend for stockholders of record on February 3, 1997 payable on February 28, 1997. The prices set forth in the preceding table have not been adjusted for the stock split. The Company did not declare any cash dividends for the years ended December 31, 1997 and 1996.

At March 20, 1998, there were 4,752 stockholders of record of the Common Stock.

On January 30, 1998, the Company issued \$200 million of its 7 3/4% Senior Subordinated Notes due 2008 (the "Senior Notes") to qualified institutional buyers and institutional accredited investors in reliance on Rule 144A and pursuant to exemptions from registration under Section 4(2) of the Securities Act of 1933, as amended. The initial purchasers for the Senior Notes sold to the qualified institutional buyers and institutional accredited investors were Jefferies & Company, Inc., BancBoston Securities Inc., CIBC Oppenheimer Corp. and NationsBanc Montgomery Securities LLC. The net proceeds from the offering of the Senior Notes were approximately \$194.2 million after underwriting discounts and commissions of approximately \$5.0 million and other transaction costs.

6. SELECTED FINANCIAL INFORMATION

The following table presents selected consolidated financial information of the Company as of the dates and for each of the periods indicated. The selected financial data set forth below should be read in conjunction with the Consolidated Financial Statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report on Form 10-K.

	Year Ended December 31, (1)				
	1993	1994 (2)	1995	1996 (3)	1997
	(Amounts in thousands except per share amounts)				
Statement of Income Data:					
Revenue	\$ 74,728	\$ 142,583	\$ 218,859	\$ 534,068	\$ 703,369
Cost of revenue	51,763	105,451	158,598	394,497	522,470
Depreciation and amortization	1,520	5,545	8,178	13,686	24,127
General and administrative expenses	15,681	20,595	28,918	72,392	90,995
Operating income	5,764	10,992	23,165	53,493	65,777
Interest expense	302	3,846	5,306	11,940	11,920
Interest and dividend income	359	1,550	3,501	3,480	1,921
Special charges-real estate and investment write-downs (4)	0	0	23,086	0	0
Other income, net (5)	355	1,348	2,250	2,553	8,221
Equity in earnings (losses) of unconsolidated companies and minority interest (6)	1,177	247	(139)	3,133	(449)
Provision for income taxes (7)	2,765	3,541	148	17,492	23,610
Income from continuing operations (7)	4,588	6,750	237	33,227	39,940
Discontinued operations	0	825	2,531	(111)	129
Net income	\$ 4,588	\$ 7,575	\$ 2,768	\$ 33,116	\$ 40,069
Pro forma basic earnings per share:					
Continuing operations (7) weighted average common shares outstanding (8)	\$ 0.27	\$ 0.26	\$ 0.01	\$ 1.27	\$ 1.46
Pro forma diluted earnings per share:					
Continuing operations (7) weighted average common shares outstanding (8)	\$ 0.27	\$ 0.26	\$ 0.01	\$ 1.25	\$ 1.43

	As of December 31,				
	1993	1994	1995	1996	1997
	(Amounts in thousands)				
Balance Sheet Data:					
Property and equipment, net	\$ 8,038	\$ 44,157	\$ 50,572	\$ 67,177	\$ 86,109
Total assets	32,988	155,969	191,272	511,154	587,598
Total debt	5,545	46,977	77,668	164,934	149,057
Total stockholders' equity	16,396	57,270	60,614	116,983	180,731

- (1) Amounts have been restated to reflect the 1997 acquisitions of Wilde Construction, Inc. and two related companies and AIDCO, Inc. and one related company, which were accounted for as poolings of interest. See Note 2 of Notes to Consolidated Financial Statements.
- (2) Includes the results of Burnup & Sims Inc. from March 11, 1994.
- (3) Includes the results of Sintel from May 1, 1996.
- (4) As a result of the disposal of non-core real estate assets and other investments, the Company recorded \$23.1 million in special charges in the year ended December 31, 1995. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".
- (5) In 1997, the Company sold a portion of its indirect interest in Conecel for a gain of \$7.1 million. See Note 2 of Notes to Consolidated Financial Statements.

- (6) Included in 1997 results is the minority interest related to the Company's Brazilian operation. See Note 2 to Notes to the Consolidated Financial Statements.
- (7) Provision for income taxes and income from continuing operations have been adjusted to reflect a pro forma tax provision for companies that were previously S Corporations.
- (8) Amounts have been adjusted to reflect the three-for-two stock split effected February 28, 1997 and shares issued in connection with two acquisitions accounted for under the pooling of interest method.

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

Overview

MasTec is one of the world's largest contractors specializing in the build-out of telecommunications and other utilities infrastructure. The Company's business consists of the design, installation and maintenance of the outside physical plant for telephone and cable television communications systems and of integrated voice, data and video local and wide area networks inside buildings, and the installation of central office telecommunications equipment. The Company also provides infrastructure construction services to the electric power industry and other public utilities.

MasTec was formed in March 1994 through the combination of Church & Tower and Burnup & Sims Inc. ("Burnup & Sims"), two established names in the U.S. telecommunications and other utilities construction services industry. In April 1996, the Company purchased Sintel, a company engaged in telecommunications infrastructure construction services in Spain, Argentina, Chile and Peru, from Telefonica. The Sintel acquisition gave the Company a significant international presence and more than doubled the size of the Company in terms of revenue and number of employees. In Argentina, Chile and Peru, the Company operates through incorporated entities in which it holds a 50% interest and which are accounted under the equity method. Operational control of these entities is shared by the Company and its local partner. See Notes 2 and 9 of Notes to Consolidated Financial Statements for pro forma financial information and geographic information, respectively.

In July and August 1997, the Company acquired Wilde Construction, Inc. and two related companies and AIDCO, Inc. and one related company (collectively, the "Pooled Companies") through an exchange of common stock. The acquisitions were accounted for as poolings of interest. Accordingly, the Company's consolidated financial statements include the results of the Pooled Companies for all periods presented. See Note 2 of Notes to Consolidated Financial Statements.

In July 1997, the Company acquired a 51% interest in MasTec Inepar, a Brazilian telecommunications infrastructure construction company. At the time of the acquisition, MasTec Inepar had a backlog of construction contracts of approximately \$280.0 million. The results of MasTec Inepar are consolidated in the results of the Company, net of a 49% minority interest, beginning August 1997.

During the year ended December 31, 1997, the Company completed nine other acquisitions that have been accounted for under the purchase method of accounting and the results of operations of which have been included in the Company's consolidated financial statements from the respective acquisition dates. The Company's pro forma results of operations for 1997 giving effect to these acquisitions would not differ materially from actual results.

On September 3, 1997, Sintel filed a petition with the Spanish labor authorities to approve a restructuring of its workforce. In response to the Company's petition, the unionized employees declared work stoppages during the latter part of September 1997 and continued with half day strikes through the first week in October 1997.

In March 1998, Sintel entered into an agreement with its unions to resolve the labor dispute. Under the agreement, the Company is entitled to permanently reduce its workforce, beginning with the placement of 209 employees on unemployment partly paid by the Spanish government for up to six months. Additional voluntary terminations and the results of certain agreed upon restructuring activities will allow the Company to quantify final severance arrangements over that period. In addition, the agreement calls for reductions in certain non-wage compensation and increases in productivity benchmarks. The agreement also contemplates an increase in base wage rates for remaining union workers. While management anticipates a reduction in ongoing operating costs to result from these negotiations, the Company recognizes that it services an

increasingly competitive telephony industry in the Spanish market and a substantial portion of any savings may be offset by more competitive prices to Telefonica and other communication service customers. As of December 31, 1997, the Company had not reserved for possible restructuring costs associated with a settlement of the Sintel labor situation in its consolidated financial statements. The Company is currently negotiating with its unions to determine the final number of employees and related severance amounts. The ultimate amount to be paid, which is expected to be significant, cannot be presently quantified.

Results of Operations

Revenue is generated primarily from telecommunications and other utilities infrastructure services. Infrastructure services are provided to telephone companies, public utilities, cable television operators, other telecommunications providers, governmental agencies and private businesses. Costs of revenue includes subcontractor costs and expenses, materials not supplied by the customer, fuel, equipment rental, insurance, operations payroll and employee benefits. General and administrative expenses include management salaries and benefits, rent, travel, telephone and utilities, professional fees and clerical and administrative overhead.

The following table sets forth certain historical consolidated financial data as a percentage of revenue for the years ended December 31, 1995, 1996 and 1997.

	Years Ended December 31,		
	1995	1996	1997
	----	----	----
Revenue	100.0%	100.0%	100.0%
Costs of revenue	72.5	73.9	74.3
Depreciation and amortization	3.7	2.6	3.4
General and administrative expenses	13.2	13.6	12.9
	----	----	----
Operating income	10.6	9.9	9.4
Interest expense	2.4	2.2	1.7
Interest and dividend income, other income, net, equity in earnings of unconsolidated companies and minority interest	2.6	1.7	1.4
Special charges-real estate and investment write-downs	10.6	0.0	0.0
	----	----	----
Income from continuing operations before provision for income taxes	0.2	9.4	9.1
Provision for income taxes (1)	0.1	3.2	3.4
	----	----	----
Income from continuing operations (1)	0.1%	6.2%	5.7%
	=====	=====	=====

(1) Provision for income taxes and income from continuing operations has been adjusted to reflect a tax provision for companies that were S corporations.

Year Ended December 31, 1997 Compared to Year Ended December 31, 1996

Revenue from domestic operations increased \$75.1 million, or 21.7%, to \$421.0 million in 1997 as compared to \$345.9 million in 1996. Domestic growth was generated by acquisitions. Revenue generated by international operations increased \$94.2 million, or 50.1%, to \$282.4 million in 1997 as compared to \$188.2 million in 1996 due primarily to the inclusion of Sintel's results for the entire period in 1997 compared to eight months in the 1996 period and the results of MasTec Inepar for five months ended December 31, 1997, which totaled \$74.9 million. Sintel's revenue was negatively impacted in 1997 by an 18% devaluation in the Spanish peseta and by work stoppages in the second half of 1997 as discussed in "Overview".

Gross profit (revenue less cost of revenue), excluding depreciation and amortization, increased \$41.3 million, or 29.6%, to \$180.9 million, or 25.7% of revenue in 1997 as compared to \$139.6 million, or 26.1% of revenue in 1996. The decrease in gross profit as a percentage of revenue was due primarily to lower margins generated by international operations. Domestic gross margins (gross profit as a percentage of revenue) increased to 27.4% in 1997 from 25.1% in 1996 primarily due to the performance of certain higher margin domestic jobs during 1997 and domestic cost reductions. There can be no assurance that the Company will be able to obtain higher margin jobs and implement further cost reductions in the future. International gross margins decreased to 23.2% in 1997 as compared to 28.0% in 1996 due to overall lower margins from the Company's newly formed Brazilian operations (15.0%) and lower productivity in the second half of 1997 from the Company's Spanish operations.

Depreciation and amortization increased \$10.4 million, or 75.9%, to \$24.1 million in 1997 from \$13.7 million in 1996. The increase in depreciation and amortization was a result of increased capital expenditures in the latter part of 1996, as well as depreciation and amortization associated with acquisitions. As a percentage of revenue, depreciation and amortization was 3.4% and 2.6% of revenue for 1997 and 1996, respectively.

General and administrative expenses increased \$18.6 million, or 25.7%, to \$91.0 million, or 12.9% of revenue for 1997 from \$72.4 million, or 13.6% of revenue for 1996. Domestic general and administrative expenses were \$49.9 million, or 11.9% of domestic revenue in 1997, compared to \$41.4 million, or 12.0% of domestic revenue for 1996. The increase in dollar amount of domestic general and administrative expenses is due primarily to acquisitions. The decline as a percentage of domestic revenue is due primarily to the higher revenue volume. International general and administrative expenses increased \$10.1 million, or 32.6%, to \$41.1 million, or 14.6% of international revenue in 1997 from \$31.0 million, or 16.5% of international revenue for 1996. The increase in international general and administrative expenses was due to the inclusion of Sintel's results for the entire 1997 period, compared to only eight months during the 1996 period. The decline in international general and administrative expenses as a percentage of international revenue is due to a lower general and administrative expense for the Brazilian operations, which was 2.2% of Brazilian revenue.

Operating income increased \$12.3 million, or 23.0%, to \$65.8 million, or 9.4% of revenue in 1997 from \$53.5 million, or 9.9% of revenue in 1996.

Interest expense remained constant at \$ 11.9 million for both periods, primarily due to the lower interest rates on Spanish and domestic borrowings and the conversion of the Company's 12% Subordinated Convertible Debentures into Common Stock on June 30, 1996. Offsetting the decline was the inclusion of interest expense associated with Sintel's working capital needs for the entire 1997 period compared to eight months for the 1996 period. The Company anticipates increased interest expense as a result of its recently completed bond offering. See "Financial Condition, Liquidity and Capital Resources."

Included in other income for 1997, is a \$7.1 million gain on sale of the Company's indirect interest in Conecel (See Note 2 of Note to Consolidated Financial Statements).

Provision for income taxes on a pro forma basis was \$23.6 million, or 36.9% of income from continuing operations before equity in earnings of unconsolidated companies, taxes and minority interests in 1997, compared to \$17.5 million, or 36.8% of income from continuing operations before equity in earnings of unconsolidated companies, taxes and minority interests in 1996.

Income from continuing operations on a pro forma basis increased \$6.7 million, or 20.2%, from \$33.2 million in 1996 to \$39.9 million in 1997. Income from continuing operations on a pro forma basis as a percentage of revenue decreased to 5.7% in 1997 from 6.2% in 1996.

Year Ended December 31, 1996 Compared to Year Ended December 31, 1995

Revenue increased \$315.2 million, or 144.0%, to \$534.1 million for the year ended December 31, 1996 from \$218.9 million for the year ended December 31, 1995. Domestic revenue increased \$127.0 million, or 58.0%, to \$345.9 million for 1996 from \$218.9 million for 1995, primarily due to growth in revenue generated from existing contracts and to domestic acquisitions completed in 1996 which generated \$23.5 million in revenue. International revenue, comprised of revenue from Sintel, which the Company acquired in April 1996, contributed \$ 188.2 million of revenue for the year ended December 31, 1996.

Gross profit (revenue less costs of revenue), excluding depreciation and amortization, increased \$79.3 million, or 131.5%, to \$139.6 million, or 26.1% of revenue, for the year ended December 31, 1996 from \$60.3 million, or 27.5% of revenue, for the year ended December 31, 1995. Domestic gross margins (gross profit as a percentage of revenue) decreased to 25.1% for the year ended December 31, 1996 from 27.5% for the year ended December 31, 1995. The decline in domestic gross margins was primarily due to additional start-up and expansion costs relating to the rapid growth in revenue. International gross margins were 28.0% for the year ended December 31, 1996.

Depreciation and amortization increased \$5.5 million, or 67.1%, to \$13.7 million for the year ended December 31, 1996 from \$8.2 million for the year ended December 31, 1995. Domestic depreciation and amortization as a percentage of domestic revenue decreased to 3.4% for 1996 from 3.7% for 1995 due to economies of scale obtained over a larger domestic revenue base. International depreciation and amortization was 1.1% of international revenue for the year ended December 31, 1996, as the Company's international operations are less capital intensive than the Company's domestic operations.

General and administrative expenses increased \$43.5 million, or 150.5%, to \$72.4 million, or 13.6% of revenue for the year ended December 31, 1996 from \$28.9 million, or 13.2% of revenue for the year ended December 31, 1995. Domestic general and administrative expenses increased \$12.5 million, or 43.3%, to \$41.4 million, or 12.0% of domestic revenue, for 1996 from \$28.9 million, or 13.2% of domestic revenue in 1995. The decrease in domestic general and administrative expenses as a percentage of domestic revenue is primarily the result of spreading overhead expenses over a broader revenue base. Included in domestic general and administrative expenses for 1996 and 1995 are salaries and bonuses for employees of the Pooled Companies of approximately \$6.1 million and \$3.8 million, respectively. International general and administrative expenses were \$31.0 million, or 16.5% of international revenue, for the year ended December 31, 1996.

Operating income increased \$30.3 million, or 130.6%, to \$53.5 million, or 9.9% of revenue, for the year ended December 31, 1996 from \$23.2 million, or 10.6% of revenue, for the year ended December 31, 1995. The decline in operating income as a percentage of revenue was due to the decline in domestic gross margins in 1996 and bonuses earned by employees of the Pooled Companies.

Interest expense increased \$6.6 million, or 124.5%, to \$11.9 million for the year ended December 31, 1996 from \$5.3 million for the year ended December 31, 1995 primarily due to borrowings used for equipment purchases and to fund investments in unconsolidated companies, offset in part by the conversion of the Company's 12% Subordinated Convertible Debentures into Common Stock on June 30, 1996.

As a result of the decision to accelerate the disposal of certain non-core real estate assets and other investments, the Company recorded \$23.1 million in special charges during the year ended December 31, 1995. The Company recorded a special charge of \$15.4 million in the third quarter of 1995 to adjust the carrying values of its real estate investments to estimated net realizable value based on offers received by the Company to dispose of certain real estate in a bulk transaction. The original value assigned to the real estate investments contemplated the disposition of the properties on an individual basis and no consideration had previously been given to a bulk sale. In the fourth quarter of 1995, the Company recorded an additional charge of \$7.7 million to reflect the value realized upon a sale of certain real estate and the Company's preferred stock investment in early 1996. These assets were sold at prices and in a manner designed to facilitate their immediate disposal so that the Company could concentrate its resources on its core telecommunications construction business.

Income from continuing operations after a pro forma tax provision increased to \$33.2 million, or 6.2% of revenue, for the year ended December 31, 1996 from \$0.2 million for the year ended December 31, 1995 which included the special charge of \$23.1 million.

In the third quarter of 1995, the Company adopted a plan to dispose of certain non-core businesses acquired as a result of the acquisition of Burnup & Sims in March 1994. See Note 13 of Notes to Consolidated Financial Statements. These businesses included the operations of a printing company, a theater chain and an uninterrupted power supply device assembler. During 1995, the Company sold the assets of the theater chain and the assembler. The two transactions netted a gain of \$7.4 million after tax. The remaining theater operations have been closed and are currently being marketed for sale for the underlying real estate value. Based on the estimated net realizable value of these businesses, a loss on disposition of approximately \$6.4 million, net of tax, relating to the remaining discontinued operations was recorded in 1995. The Company sold the printing company in January 1997 for its carrying value.

Financial Condition, Liquidity and Capital Resources

The Company's primary liquidity needs are for working capital, to finance acquisitions and capital expenditures and to service the Company's indebtedness. The Company's primary sources of liquidity have been cash flow

from operations, borrowings under revolving lines of credit and the proceeds from the sale of investments and non-core assets.

Net cash provided by operating activities for the year ended December 31, 1997 was \$23.1 million, compared to \$41.9 million for the year ended 1996. This decrease was due to fluctuations in working capital, particularly a reduction of accounts payable balances companywide and an increase in accounts receivable and unbilled revenue from Brazilian operations, offset by an increase in net income to \$42.7 million as compared to net income of \$35.9 million in the comparative 1996 period.

Net cash provided by the sale of investments and non-core assets amounted to \$29.6 million for 1997 compared to \$9.4 million for 1996. The Company invested cash, net of cash acquired, in acquisitions and investments in unconsolidated companies totaling \$50.2 million during 1997 compared to \$6.2 million in 1996. During 1997, the Company made capital expenditures of \$23.6 million, primarily for machinery and equipment used in the production of revenue, compared to \$8.4 million in 1996.

As of December 31, 1997, working capital totaled \$123.7 million, compared to working capital of \$136.2 million at December 31, 1996 excluding a note receivable of \$29.0 million which was converted into an investment, a portion of which was sold in December 1997. See Note 2 of Notes to Consolidated Financial Statements. Included in working capital are net assets of discontinued operations of \$4.2 million and real estate held for sale totaling \$10.9 million.

In December 1997, the Company sold its indirect investment in Conecel for \$20.0 million in cash and the right to receive shares of Conecel non-voting common stock. The Company will have certain registration rights with respect to the Conecel common stock that it receives. A gain of \$4.4 million, net of tax, was recognized based on the percent of cash received to the total transaction value. In September 1997, the Company agreed to sell a portion of its interest in Supercanal for \$20.0 million in cash. In January 1998, the Company elected to retain its entire interest in Supercanal and terminated the agreement.

The Company continues to pursue a strategy of growth through acquisitions and internal expansion. In July 1997, the Company closed its acquisition of 51% of MasTec Inepar for stock and \$29.4 million in cash payable over eleven months. In addition, in connection with its acquisition of Sintel, the Company is required to make payments of 1.8 billion pesetas (approximately \$11.8 million at the exchange rate in effect at December 31, 1997) on each of December 31, 1997 and 1998. The Company has paid a portion of the December 31, 1997 payment, with the remaining amounts to be paid pending resolution of offsetting amounts between the Company and Telefonica. See Note 2 of Notes to Consolidated Financial Statements. The Company believes that cash generated from operations, borrowings under its \$125.0 million revolving credit facility with a syndicate of banks led by BankBoston, N.A. (the "Credit Facility"), and proceeds from the sale of investments and non-core assets will be sufficient to finance these payments, as well as the Company's working capital needs, capital expenditures and debt service obligations for the foreseeable future. Future acquisitions are expected to be financed from these sources, as well as other external financing sources to the extent necessary, including the issuance of equity securities and additional borrowings.

In June 1997, the Company refinanced its domestic credit facility with the Credit Facility. Borrowings under this facility may be used for domestic acquisitions, working capital, capital expenditures and general corporate purposes. At December 31, 1997, borrowings under this facility totaled approximately \$83.0 million and standby letters of credit issued pursuant to this facility totaled approximately \$3.5 million. In January 1998, the Company sold \$200.0 million principal amount of 7.75% Senior Subordinated Notes (the "Notes") due 2008 with interest due semi-annually. The Company repaid all outstanding borrowings under the Credit Facility other than outstanding letters of credit with a portion of the proceeds of the Notes, as a result of which the Company has approximately \$121.5 million of borrowing capacity under the Credit Facility. The Credit Facility and the Notes contain certain covenants which, among other things, restrict the payment of dividends, limit the Company's ability to incur additional debt, create liens, dispose of assets, merge or consolidate with another entity or make other investments or acquisitions, and provide that the Company must maintain minimum amounts of stockholders' equity and financial ratio coverages, requiring, among other things, minimum ratios at the end of each fiscal quarter of debt to earnings, earnings to interest expense and accounts receivable to trade payables. See Note 5 of Notes to Consolidated Financial Statements.

The Company conducts business in several foreign currencies that are subject to fluctuations in the exchange rate relative to the U.S. dollar. The

Company does not enter into foreign exchange contracts. It is the Company's intent to utilize foreign earnings in the foreign operations for an indefinite period of time. In addition, the Company's results of operations from foreign activities are translated into U.S. dollars at the average prevailing rates of exchange during the period reported, which average rates may differ from the actual rates of exchange in effect at the time of the actual conversion into U.S. dollars. The Company currently has no plans to repatriate significant earnings from its international operations.

The Company's current and future operations and investments in certain foreign countries are generally subject to the risks of political, economic or social instability, including the possibility of expropriation, confiscatory taxation, hyper-inflation or other adverse regulatory or legislative developments, or limitations on the repatriation of investment income, capital and other assets. The Company cannot predict whether any of such factors will occur in the future or the extent to which such factors would have a material adverse effect on the Company's international operations.

Year 2000

Management believes that a significant portion of its computer systems are year 2000 compliant and is in the process of assessing the balance of its systems. The Company intends to communicate with its customers, suppliers, financial institutions and others with which it does business to ensure that any year 2000 issue will be resolved timely. This issue affects computer systems that have time-sensitive programs that may not properly recognize the year 2000. If necessary modifications and conversions by those with which the Company does business are not completed timely or if all of the Company's systems are not year 2000 compliant, the year 2000 issue may have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Seasonality

The Company's domestic operations have historically been seasonally weaker in the first and fourth quarters of the year and have produced stronger results in the second and third quarters. Sintel has experienced seasonal weakness in the first quarter, but has produced relatively strong results in the fourth quarter. This seasonality is primarily the result of customer budgetary constraints and preferences and, to a lesser extent, the effect of winter weather on outside plant activities. Certain U.S. customers, particularly the RBOCs, tend to complete budgeted capital expenditures before the end of the year and defer additional expenditures until the following budget year. Telefonica, the Company's principal international customer, has historically rushed to complete budgeted expenditures in the last quarter. Revenue from MasTec Inepar is not expected to fluctuate seasonally.

Impact of Inflation

The primary inflationary factor affecting the Company's operations is increased labor costs. The Company has not experienced significant increases in labor costs to date. Competition for qualified personnel could increase labor costs for the Company in the future. As a result, of the Company's recent increase in international activities, it may, at times in the future, operate in countries that may experience high inflation.

8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See index to Consolidated Financial Statements.

9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning directors and nominees for director of the Company set forth under the caption "Election of Directors" of the Company's Proxy Statement for the 1998 Annual Meeting of Stockholders (the "Proxy

Statement") is incorporated by reference into this Annual Report on Form 10-K. Information concerning the executive officers of the Company is included under the caption "Executive Officers of the Registrant" in reliance upon General Instruction G to Form 10-K and Instruction 3 of Item 40 1(b) of Regulation S-K.

11. EXECUTIVE COMPENSATION

The information concerning executive compensation set forth under the caption "Executive Compensation" of the Company's Proxy Statement is incorporated by reference into this Annual Report on Form 10-K.

12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information concerning security ownership set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" of the Company's Proxy Statement is incorporated by reference into this Annual Report on Form 10-K.

13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the caption "Certain Relationships and Related Transactions" of the Company's Proxy Statement is incorporated by reference into this Annual Report on Form 10-K.

14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

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(b) Report on Form 8-K	

On October 16, 1997, the Company filed a Form 8-K current report dated September 30, 1997 with the Securities and Exchange Commission reporting information under Item 5 thereof regarding the sale of 5.5% of Supercanal Holding, S.A. See Note 2 of Notes to Consolidated Financial Statements.

On October 16, 1997, the Company filed a Form 8-K current report dated October 6, 1997 with the Securities and Exchange Commission reporting information under Item 5 thereof regarding the sale of its indirect equity interest in Consorcio Ecuatoriano de Telecomunicaciones S.A. (Conecel).

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Stockholders of MasTec, Inc.
Miami, Florida

We have audited the accompanying consolidated balance sheets of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel"), a wholly owned subsidiary, as of December 31, 1997 and for the year then ended which statements reflect total assets and revenue constituting 33.2% and 29.5%, respectively, of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Sintel is based solely on the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 10, 1998

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Sintel, S.A.

We have audited the consolidated balance sheet of SINTEL, S.A. and subsidiaries ("Sintel") as of December 31, 1997, the related consolidated statements of income and cash flows for the year then ended, and the notes to the financial statements, all expressed in Spanish pesetas. These financial statements are the responsibility of Sintel's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Note 18 of the notes to the consolidated financial statements details Sintel's significant transactions with its main customer, Telefonica de Espana, S.A., performed under a contract in force for 1996-1998.

Certain accounting practices of Sintel used in preparing the consolidated financial statements of Sintel conform with generally accepted accounting principles in Spain, but do not conform with accounting principles generally accepted in the United States. A description of these differences and the adjustments required to conform the consolidated financial statements to accounting principles generally accepted in the United States are set forth in Note 22.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SINTEL, S.A. and subsidiaries as of December 31, 1997, and the results of their operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles in the United States as set forth in Note 22.

ARTHUR ANDERSEN L.L.P.
Madrid, Spain
February 25, 1998

MASTEC, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts)

For the Years Ended December 31, (3)

	1995	1996	1997
	-----	-----	-----
Revenue	\$ 218,859	\$ 534,068	\$ 703,369
Costs of revenue	158,598	394,497	522,470
Depreciation and amortization	8,178	13,686	24,127
General and administrative expenses	28,918	72,392	90,995
	-----	-----	-----
Operating income	23,165	53,493	65,777
Interest expense	5,306	11,940	11,920
Interest and dividend income	3,501	3,480	1,921
Special charges-real estate and investment write-downs	23,086	0	0
Other income, net	2,250	2,553	8,221
	-----	-----	-----
Income from continuing operations before equity in (losses) earnings of unconsolidated companies, (benefit) provision for income taxes and minority interest	524	47,586	63,999
Equity in (losses) earnings of unconsolidated companies (Benefit) provision for income taxes	(300) (1,115)	3,040 14,665	2,897 21,015
Minority interest	161	93	(3,346)
	-----	-----	-----
Income from continuing operations	1,500	36,054	42,535
Discontinued operations:			
Income (loss) from discontinued operations, (net of applicable income taxes)	38	(177)	129
Net gain on disposal of discontinued operations net of a provision of \$6,405 for 1995 to write down related assets to realizable values and including operating losses during phase-out period, net of applicable income taxes	2,493	66	0
	-----	-----	-----
Net income	\$ 4,031	\$ 35,943	\$ 42,664
	=====	=====	=====
Pro forma data (1):			
Income from continuing operations before equity in (losses) earnings of unconsolidated companies, pro forma provision for income taxes and minority interest	\$ 524	\$ 47,586	\$ 63,999
Equity in (losses) earnings of unconsolidated companies	(300)	3,040	2,897
Pro forma provision for income taxes (1)	148	17,492	23,610
Minority interest	161	93	(3,346)
Discontinued operations	2,531	(111)	129
	-----	-----	-----
Pro forma net income	\$ 2,768	\$ 33,116	\$ 40,069
	=====	=====	=====
Basic earnings per share:			
Weighted average common shares outstanding (2)	25,263	26,074	27,294
Pro forma earnings per share (1) (2):			
Continuing operations	\$ 0.01	\$ 1.27	\$ 1.46
Discontinued operations	0.10	0.00	0.01
	-----	-----	-----
	\$ 0.11	\$ 1.27	\$ 1.47
	=====	=====	=====
Diluted earnings per share:			
Weighted average common shares outstanding (2)	25,440	26,499	27,853
Pro forma earnings per share (1) (2):			
Continuing operations	\$ 0.01	\$ 1.25	\$ 1.43
Discontinued operations	0.10	0.00	0.01
	-----	-----	-----
	\$ 0.11	\$ 1.25	\$ 1.44
	=====	=====	=====

(1) Provision for income taxes and net income have been adjusted to reflect a tax provision for companies which were previously S corporations.

- (2) Amounts have been adjusted to reflect the three-for-two stock split effected on February 28, 1997 and shares issued in connection with two acquisitions accounted for under the pooling of interest method.
- (3) The historical amounts have been restated to reflect the results of operation of two 1997 acquisitions accounted for under the pooling of interest method.

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

MASTEC, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	1996	1997
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,989	\$ 6,063
Accounts receivable-net and unbilled revenue	318,967	346,596
Notes receivable	29,549	682
Inventories	5,737	8,746
Other current assets	35,529	32,109
	-----	-----
Total current assets	400,771	394,196
	-----	-----
Property and equipment-at cost	95,467	129,968
Accumulated depreciation	(28,290)	(43,859)
	-----	-----
Property and equipment-net	67,177	86,109
	-----	-----
Investments in unconsolidated companies	30,209	48,160
Other assets	12,997	59,133
	-----	-----
TOTAL ASSETS	\$ 511,154	\$ 587,598
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of debt	\$ 39,916	\$ 54,562
Accounts payable	166,993	166,843
Other current liabilities	28,651	49,043
	-----	-----
Total current liabilities	235,560	270,448
	-----	-----
Other liabilities	33,593	41,924
	-----	-----
Long-term debt	125,018	94,495
	-----	-----
Commitments and contingencies		
Stockholders' equity:		
Common stock	2,780	2,805
Capital surplus	149,083	99,235
Retained earnings	49,070	86,921
Accumulated translation adjustments	(802)	(3,466)
Treasury stock	(83,148)	(4,764)
	-----	-----
Total stockholders' equity	116,983	180,731
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 511,154	\$ 587,598
	=====	=====

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the three years ended December 31, 1997
(In thousands)

	Common Stock Issued		Capital Surplus	Retained Earnings	Accumulated Translation Adjustments	Treasury Stock	Total
	Shares	Amount					
Balance December 31, 1994	27,806	\$ 2,780	\$134,094	\$ 12,531	\$ 0	\$(92,135)	\$ 57,270
Net income				4,031			4,031
Distributions by Pooled Companies				(926)			(926)
Stock issued to 401(k)							
Retirement savings plan from treasury shares			92			146	238
Accumulated translation adjustment					1		1
Balance December 31, 1995	27,806	2,780	134,186	15,636	1	(91,989)	60,614
Net income				35,943			35,943
Distributions by Pooled Companies				(2,509)			(2,509)
Cumulative effect of translation					(803)		(803)
Stock issued from treasury stock for options exercised			48			523	571
Tax benefit for stock option plan			513				513
Stock issued from treasury stock for an acquisition			8,844			2,201	11,045
Stock issued for debentures from treasury stock			5,492			6,117	11,609
Balance December 31, 1996	27,806	2,780	149,083	49,070	(802)	(83,148)	116,983
Net income				42,664			42,664
Distributions by Pooled Companies				(4,813)			(4,813)
Cumulative effect of translation					(2,664)		(2,664)
Stock issued from treasury stock for options exercised			206			979	1,185
Tax benefit for stock option plan exercises			1,538				1,538
Stock issued for acquisition	250	25	6,600				6,625
Stock issued from treasury stock for an acquisition			4,479			1,603	6,082
Stock issued for stock dividend from treasury stock			(75,802)			75,802	0
Treasury stock sold			3,007				3,007
Tax benefit for pooling treated as asset sales for income tax purposes			10,124				10,124
Balance December 31, 1997	28,056	\$ 2,805	\$ 99,235	\$86,921	\$ (3,466)	\$ 4,764	\$180,731

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

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

	For the Years Ended December 31,		
	1995	1996	1997
	-----	-----	-----
Cash flows from operating activities:			
Net income	\$ 4,031	\$ 35,943	\$ 42,664
Adjustments to reconcile net income to net cash provided by operating activities:			
Minority interest	(161)	(93)	3,346
Depreciation and amortization	8,178	13,686	24,127
Equity in losses (earnings) of unconsolidated companies	300	(3,040)	(2,897)
Special charges-real estate and investments write downs	23,086	0	0
Gain on sale of assets	(2,823)	(365)	(6,848)
Changes in assets and liabilities net of effect of acquisitions and divestitures:			
Accounts receivable-net and unbilled revenue	(24,760)	(13,057)	(39,950)
Inventories and other current assets	(2,207)	(2,574)	(331)
Other assets	(2,617)	(4,657)	(7,994)
Accounts payable	10,807	26,460	12,188
Income and deferred taxes	(8,338)	2,574	(4,276)
Other current liabilities	451	(9,151)	8,208
Net assets of discontinued operations	963	1,148	(394)
Other liabilities	1,032	(4,943)	(4,740)
	-----	-----	-----
Net cash provided by operating activities	7,942	41,931	23,103
	-----	-----	-----
Cash flows from investing activities:			
Capital expenditures	(17,202)	(8,386)	(23,585)
Cash acquired in acquisitions	148	1,130	2,106
Cash paid for acquisitions	(1,750)	(6,164)	(48,910)
Distributions from unconsolidated companies	245	1,365	2,130
Investments in unconsolidated companies	(7,408)	(1,212)	(3,364)
Investments in notes receivable	(25,000)	0	0
Repayment of notes receivable	443	1,273	565
Repayment of stockholders loans receivable	1,800	0	780
Net proceeds from sale of assets and other non-core assets	24,269	9,404	29,628
	-----	-----	-----
Net cash used in investing activities	(24,455)	(2,590)	(40,650)
	-----	-----	-----

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

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

	For the Years Ended December 31,		
	1995	1996	1997
Cash flows from financing activities:			
Proceeds from revolving credit facilities	\$ 46,125	\$ 17,476	\$ 57,321
Other borrowings	10,200	28,888	19,936
Repayment of notes payable to stockholders	(2,500)	0	0
Debt repayments	(40,091)	(75,280)	(65,147)
Distributions by Pooled Companies	(926)	(2,509)	(4,813)
Proceeds from common stock issued			
from treasury	238	792	6,264
Financing costs	(516)	0	(587)
	12,530	(30,633)	12,974
Net cash provided by (used in) financing activities			
Net (decrease) increase in cash and cash equivalents	(3,983)	8,708	(4,573)
Net effect of translation on cash	0	(803)	(353)
Cash and cash equivalents - beginning of period	7,067	3,084	10,989
	\$ 3,084	\$ 10,989	\$ 6,063
Cash and cash equivalents - end of period	\$ 3,084	\$ 10,989	\$ 6,063
Supplemental disclosures of cash flow information: Cash paid during the period for:			
Interest	\$ 5,302	\$ 10,530	\$ 9,058
Income taxes	\$ 7,527	\$ 12,867	\$ 10,432

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

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

Supplemental disclosure of non-cash investing and financing activities:

	For the Years Ended December 31,		
	1995	1996	1997
	-----	-----	-----
Acquisitions accounted for under purchase method of accounting:			
Fair value of assets acquired:			
Accounts receivable	\$ 167	\$ 248,087	\$ 20,482
Inventories	0	2,980	955
Other current assets	67	12,661	1,618
Property and equipment	2,688	13,148	19,257
Investments in unconsolidated companies	0	9,373	0
Real estate and other assets	50	6,385	3,820
	-----	-----	-----
Total non-cash assets	2,972	292,634	46,132
	-----	-----	-----
Liabilities	71	162,928	20,299
Long-term debt	93	78,966	2,153
	-----	-----	-----
Total liabilities assumed	164	241,894	22,452
	-----	-----	-----
Net non-cash assets acquired	2,808	50,740	23,680
Cash acquired	148	1,130	2,106
	-----	-----	-----
Fair value of net assets acquired	2,956	51,870	25,786
Excess over fair value of assets acquired	0	4,956	44,905
	-----	-----	-----
Purchase price	\$ 2,956	\$ 56,826	\$ 70,691
	=====	=====	=====
Notes payable issued in acquisitions	\$ 800	\$ 36,561	\$ 130
Cash paid and common stock issued for acquisitions	1,750	17,340	60,354
Contingent consideration	406	2,250	9,907
Acquisition costs	0	675	300
	-----	-----	-----
Purchase price	\$ 2,956	\$ 56,826	\$ 70,691
	=====	=====	=====
Property acquired through financing arrangements	\$ 9,452	\$ 8,550	\$ 413
	=====	=====	=====

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

MASTEC, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(In thousands)

Supplemental disclosure of non-cash investing and financing activities (cont.)

	December 31, 1995 ----
Disposals:	
Assets sold:	
Accounts receivable	\$ 2,158
Inventories	1,770
Other current assets	22
Property and equipment	1,832
Other assets	4

Total non-cash assets	5,786
Liabilities	1,878
Long-term debt	343

Total liabilities	2,221

Net non-cash assets sold	\$ 3,565
	=====
Sale price	\$ 12,350
Transaction costs	(521)
Note receivable	(450)
	=====
Net cash proceeds	\$ 11,379
	=====

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
for the three years ended December 31, 1997

Supplemental disclosure of non-cash investing and financing activities:

In 1995, the Company's purchase of a 33% interest in Supercanal was financed in part by the seller for \$7 million. (See Note 2.)

During 1995, MasTec issued \$146,000 of common stock from treasury stock for purchases made by The MasTec, Inc. 401 (k) Retirement Savings Plan. Capital surplus was increased by \$92,000.

In 1996, the Company issued approximately 198,000 shares of common stock for an acquisition. Common stock was issued from treasury at a cost of \$2.2 million.

In 1996, the Company converted \$11.6 million of its 12% convertible subordinated debentures into common stock. Common stock was issued from treasury at a cost of \$6.1 million. (See Note 5.)

In 1996, the Company's purchase of an additional 3% interest in Supercanal was financed in part by the sellers for \$2 million. (See Note 2.)

During 1996, MasTec issued \$523,000 of common stock from treasury for stock option exercises. Capital surplus was increased by \$48,000.

In 1997, the Company issued approximately 173,000 shares of common stock for domestic acquisitions. Common stock was issued from treasury stock at a cost of approximately \$1.6 million. (See Note 2 for non-cash transactions related to MasTec Inepar.)

In July 1997, the Company converted a note receivable and accrued interest thereon totaling \$29 million into stock of Conecel. (See Note 2.)

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

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

MasTec, Inc. (the "Company" or "MasTec") is one of the world's leading contractors specializing in the build-out of telecommunications and other utilities infrastructure. The Company's business consists of the design, installation and maintenance of the outside physical plant ("outside plant") for telephone and cable television communications systems, including the installation of aerial, underground and buried copper, coaxial and fiber optic cable networks and the construction of wireless antenna networks for telecommunications service companies such as local exchange carriers, competitive access providers, cable television operators, long-distance carriers, and wireless phone companies. The Company also installs central office equipment and designs, installs and maintains integrated voice, data and video local and wide area networks inside buildings ("inside wiring"). The Company believes it is the largest independent contractor providing telecommunications infrastructure construction services in the United States and Spain and one of the largest in Argentina, Chile, Brazil and Peru. The Company also provides infrastructure construction services to the electric power industry and other public utilities.

The Company is able to provide a full range of infrastructure services to its telecommunications company customers. Domestically, the Company provides outside plant services to local exchange carriers such as BellSouth Telecommunications, Inc. ("BellSouth"), U.S. West Communications, Inc., SBC Communications, Inc., United Telephone of Florida, Inc. (a subsidiary of Sprint Corporation) and GTE Corp. At December 31, 1997, MasTec had 20 multi-year service contracts ("master contracts") with regional bell operating companies ("RBOCs") and other local exchange carriers to provide all of their outside plant requirements up to a specific dollar amount per job and within certain geographic areas. Internationally, the Company provides through its wholly owned subsidiary Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel") outside plant services, turn-key switching system installation and inside wiring services to Telefonica de Espana, S.A. ("Telefonica") under three separate multi-year contracts similar to those in the U.S. which expire in 1998. In July 1997, the Company also began servicing the local telephone subsidiaries of Telecomunicacoes Brasileiras S.A., the Brazilian government-owned telecommunications system ("Telebras"), in Sao Paulo, Rio de Janeiro, Parana and other states in the more populous and developed Southern region of Brazil, as well as Companhia Riograndense de Telecomunicacoes, S.A. ("CRT"), the local telephone company in Rio Grande do Sul which is partly owned by Telefonica.

The Company was formed through the combination of Church & Tower, Inc. ("Church and Tower") and Burnup & Sims Inc. ("Burnup & Sims"), two established names in the U.S. telecommunications and other utilities construction services industry. On March 11, 1994, the shareholders of Church & Tower acquired 65% of the outstanding common stock of Burnup & Sims in a reverse acquisition (the "Burnup Acquisition"). Following the change in control, the senior management of Burnup & Sims was replaced by Church & Tower management and the name of Burnup & Sims was changed to "MasTec, Inc." Church & Tower is considered the predecessor company to MasTec and, accordingly, the results of Burnup & Sims subsequent to March 11, 1994 are included in the results of the Company.

In July and August 1997, Wilde Construction, Inc. and two related companies ("Wilde") and AIDCO, Inc. ("Aidco") and one related company were merged with and into the Company through an exchange of common stock. The mergers were accounted for as poolings of interest. Accordingly, the Company's consolidated financial statements include the results of Wilde and Aidco for all periods presented (see Note 2).

Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The Consolidated Financial Statements include MasTec, Inc. and its subsidiaries. All material intercompany accounts and transactions have been eliminated. Certain prior year amounts have been reclassified to conform to the current presentation.

Foreign Currency

The financial position and results of operations of the Company's foreign subsidiaries are measured using local currency as the functional currency. The Company translates foreign currency financial statements by translating balance sheet accounts at the exchange rate on the balance sheet date and income statement accounts at the average exchange rate for the period. Translation gains and losses are recorded in stockholders' equity, and transaction gains and losses are reflected in income.

Revenue Recognition

Revenue and related costs for short-term construction projects (i.e., projects with duration of less than one month) are recognized as the projects are completed. Revenue generated by certain long-term construction contracts are accounted for by the percentage-of-completion method under which income is recognized based on the ratio of estimated cost incurred to total estimated contract cost. Losses, if any, on such contracts are provided for in full when they become known. Billings in excess of costs and estimated earnings on uncompleted contracts are classified as current liabilities. Any costs in excess of billings are classified as current assets (See Note 3). Work in process on contracts is based on work performed but not billed to customers as per individual contract terms.

The Company also provides management, coordination, consulting and administration services for construction projects. Compensation for such services is recognized ratably over the term of the service agreement.

Earnings Per Share

In 1997, the Company adopted Statement of Financial Standards ("SFAS") No. 128, "Earnings per Share" issued by the Financial Accounting Standards Board "FASB" SFAS No. 128 requires the presentation of basic earnings per common share and diluted earnings per common share. Basic earnings per common share is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per common share includes the diluting effect of stock options and warrants using the treasury stock method. The difference between the weighted average common shares outstanding used to calculate basic and diluted earnings relates to options assumed exercised which were 177,000, 425,000 and 559,000 at December 31, 1995, 1996 and 1997, respectively.

Cash and Cash Equivalents

The Company considers all short-term investments with maturities of three months or less when purchased to be cash equivalents. The Company places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the F.D.I.C. insurance limits. The Company has not experienced any loss to date on these investments.

Inventories

Inventories (consisting principally of material and supplies) are carried at the lower of first-in, first-out cost or market.

Property and Equipment, Net

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the assets as follows: buildings and improvements -- 5 to 20 years, and machinery and equipment -- 3 to 7 years. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for betterments and major improvements are capitalized. The carrying amounts of assets sold or retired and related accumulated depreciation are eliminated in the year of disposal and the resulting gains and losses are included in income.

Investments

The Company's investment in real estate located primarily in Florida, acquired in connection with the Burnup Acquisition, is stated at its estimated net realizable value. Investments in unconsolidated companies are accounted for following the equity method of accounting when significant influence by the Company exists (see Note 2).

Accrued Insurance

The Company is self-insured for certain property and casualty and worker's compensation exposure and, accordingly, accrues the estimated losses not otherwise covered by insurance.

Income Taxes

The Company records income taxes using the liability method. Under this method, the Company records deferred taxes based on temporary taxable and deductible differences between the tax bases of the Company's assets and liabilities and their financial reporting bases. A valuation allowance is established when it is more likely than not that some or all of the deferred tax assets will not be realized.

Recent Accounting Pronouncements

In June 1997, the FASB issued SFAS No. 130 "Reporting Comprehensive Income" which establishes standards for reporting and display of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements. This statement requires that an enterprise classify items of other comprehensive income by their nature in a financial statement and display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. This statement is effective for fiscal years beginning after December 15, 1997. The Company anticipates the effects of SFAS No. 130 will result in the disclosure of foreign currency translation adjustment as part of comprehensive income.

In June 1997, the FASB issued SFAS No. 131 "Disclosure about Segments of an Enterprise and Related Information" which establishes standards for public business enterprises to report information about operating segments in annual financial statements and requires those enterprises to report selected information about operating segments in interim financial reports issued to shareholders. It also establishes the standards for related disclosures about products and services, geographic areas, and major customers. This statement requires a public business enterprise report financial and descriptive information about its reportable operating segments. The financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. This statement is effective for financial statements for periods beginning after December 15, 1997. Management is currently evaluating the requirements of SFAS No. 131 to determine the extent of additional disclosure.

2. ACQUISITIONS AND INVESTING ACTIVITIES

Domestic

In July 1997, the Company completed the acquisition of Wilde, which provides telecommunications and cable television infrastructure services in Minnesota, North and South Dakota, Iowa, Nebraska and other bordering states. In August 1997, the Company completed the acquisition of Aidco, a company engaged in the installation and maintenance of voice, data and video local-area networks in the Western and Midwestern states. These acquisitions were consummated through stock-for-stock exchanges in which the Company issued approximately 1,371,000 shares of common stock. The Company has accounted for these mergers under the pooling of interest method. Accordingly, historical financial information has been restated to reflect the mergers as though they occurred as of the earliest period presented. These acquisitions are collectively referred to as the "Pooled Companies."

During 1996 and 1997, the Company completed certain other acquisitions which have been accounted for under the purchase method of accounting and the results of operations have been included in the Company's consolidated financial statements from the respective acquisition dates. If the acquisitions had been made at the beginning of 1996 or 1997, pro forma results of operations would not have differed materially from actual results. Acquisitions made in 1997 were Kennedy Cable Construction, Inc., GJS Construction Co. d/b/a Somerville Construction and Shanco Corporation, three contractors servicing multiple systems operators such as Time Warner, Inc., Marcus Cable Company and Cox Communications, Inc. in a number of states including Alabama, Arizona, Florida, Georgia, New Jersey, New York, North Carolina, South Carolina and Texas; and R.D. Moody Associates, Inc., B&D Contractors of Shelby, Inc., Tele-Communications Corporation of Virginia, E.L. Dalton & Company, Inc., R.D. Moody Associates of Virginia, Inc. and Weeks Construction, Inc., six telecommunications and utility contractors with operations primarily in the southeastern and southwestern United States. Acquisitions made in 1996 were Carolina ComTec, Inc., a privately held company engaged in installing and maintaining voice, data and video networks, and Harrison-Wright Company Inc., one of the oldest telecommunications contractors in the southeastern United States.

Intangible assets of approximately \$23.6 million resulting from domestic business acquisitions are included in other long-term assets and principally consist of the excess acquisition cost over the fair value of the net assets acquired (goodwill). Goodwill associated with domestic acquisitions is being amortized on a straight-line basis over a range of 15-20 years. The Company periodically reviews goodwill to assess recoverability.

Separate results of the Pooled Companies for the periods prior to the consummation of the combinations, including a pro forma adjustment for income taxes related to the Subchapter S status of certain Pooled Companies are as follows:

	MasTec -----	Pooled Companies -----	Combined -----
Year ended December 31, 1995			
Total revenue	\$174,583	\$ 44,276	\$218,859
Pro forma net (loss) income	\$ (609)	\$ 3,377	\$ 2,768
Year ended December 31, 1996			
Total revenue	\$472,800	\$ 61,268	\$534,068
Pro forma net income	\$ 30,065	\$ 3,051	\$ 33,116
Year ended December 31, 1997			
Total revenue	\$659,439	\$ 43,930	\$703,369
Pro forma net income	\$ 35,398	\$ 4,671	\$ 40,069

International

On April 30, 1996, the Company purchased from Telefonica 100% of the capital stock of Sintel, a company engaged in telecommunications infrastructure construction services in Spain, Argentina, Chile, and Peru. In Argentina, Chile and Peru, the Company currently operates through unconsolidated corporations in which it holds 50% interests. The purchase price for Sintel was Spanish Pesetas ("Pesetas") 4.9 billion (US\$39.5 million at the then exchange rate of 124 Pesetas to one U.S. dollar). An initial payment of Pesetas 650 million (\$5.1 million) was made at closing. An additional Pesetas 650 million (\$4.9 million) was paid on December 31, 1996, with the balance of the purchase price, Pesetas 3.6 billion (US\$27.5 million), due in two equal installments on December 31, 1997 and 1998. The Company has paid a portion of the December 31, 1997 installment in connection with the acquisition debt, with the remaining amount to be paid pending resolution of the offsetting amounts between the Company and Telefonica. Prior to April 30, 1996, as part of the terms of the purchase and sale agreement with Telefonica, Sintel sold certain buildings to Telefonica and Telefonica repaid certain tax credits and made a capital contribution to Sintel (collectively referred to as the "Related Transactions"). The total proceeds from the Related Transactions were approximately \$41.0 million and resulted in an increase in equity of \$28.1 million prior to the purchase. The assets and liabilities resulting from the acquisition are disclosed in the supplemental schedule of non-cash investing and financing activities in the Consolidated Statements of Cash Flows. The Sintel acquisition gave the Company a significant international presence. See Note 9 regarding geographic information.

The following information presents the unaudited pro forma condensed results of operations for the year ended December 31, 1996 as if the Company's acquisition of Sintel and the Related Transactions had occurred on January 1,

1996. The Sintel acquisition has been treated as a "purchase" as the term is used under generally accepted accounting principles. Management's estimate of fair value approximated that of the carrying value of the net assets acquired after reflecting a reserve for involuntary employee terminations of \$12.4 million and deferred taxes of \$4.3 million. The pro forma results, which include adjustments to increase interest expense resulting from the debt incurred pursuant to the Sintel acquisition (\$700,000), offset by the reduction in interest and depreciation expenses resulting from the Related Transactions (\$1 million) and a tax benefit at 35% is presented for informational purposes only and are not necessarily indicative of the future results of operations or financial position of the Company or the results of operations or financial position of the Company had the Sintel acquisition and the Related Transactions occurred January 1, 1996.

Pro forma results of operations
for the year ended December 31, 1996
(in thousands)

Revenue	\$ 617,763
Income from continuing operations	36,423
Net income	36,312
Basic earnings per share:	
Continuing operations	\$ 1.40
Discontinued operations	0.00

Net income	\$ 1.40
	=====
Diluted earnings per share:	
Continuing operations	\$ 1.37
Discontinued operations	.00

Net income	\$ 1.37
	=====

The pro forma results for the year ended December 31, 1996, include special charges incurred by Sintel related to a restructuring plan of \$1.4 million.

On July 31, 1997, the Company completed its acquisition of 51% of MasTec Inepar S/A-Sistemas de Telecomunicacoes ("MasTec Inepar"), a newly formed Brazilian telecommunications infrastructure contractor, for \$29.4 million in cash payable over eleven months and 250,000 shares of common stock. Goodwill related to this acquisition at December 31, 1997 is \$16.5 million and is included in other long-term assets. Goodwill is being amortized over 15 years.

Investing Activities

In July 1996, the Company contributed its 36% ownership interest in Supercanal, S.A. ("Supercanal"), a cable television operator in Argentina, to a holding company which also held the other shares of Supercanal. Concurrently, Multicanal, S.A., one of the leading cable television operators in Argentina acquired a 20% interest in the holding company for approximately \$17 million in cash and provided significant additional financing to fund pending acquisitions. As a result of the Multicanal investment, the shareholders entered into an agreement whereby Multicanal was granted veto powers over certain fundamental board and stockholder decisions and, along with the majority shareholder, was given operational control of Supercanal. The Company's interest in the holding company was reduced to approximately 28.8% by this transaction and the Company no longer exercised significant influence in the operations of Supercanal. Accordingly, its investment is accounted for at cost and is included in investments in unconsolidated companies.

At December 31, 1997, the Company's investment in Supercanal was \$16.0 million. Based on the most recent available financial information, for the nine months ended September 30, 1997, Supercanal incurred losses of \$19.5 million (unaudited) and reflected a shareholders' deficiency of \$7.2 million (unaudited).

In July 1995, the Company made a \$25 million non-recourse term loan to Devono Company Limited, a British Virgin Islands corporation ("Devono"). The loan was collateralized by 40% of the capital stock of a holding company that owned 52.6% of the capital stock of Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel"), one of two cellular phone operators in the Republic of Ecuador. In June 1997, the Company converted its loan and accrued interest into the stock of the holding company. In December 1997, the Company sold its investment in the holding company for \$20.0 million in cash and 7.5 million

shares of Conecel Class B non-voting stock valued at \$25.0 million. Accordingly, the Company recognized a gain of \$4.4 million net of tax based on the percent of cash received to the total transaction value.

3. ACCOUNTS RECEIVABLE-NET

Accounts receivable are presented net of an allowance for doubtful accounts of \$1.0 million, \$3.1 million, and \$3.1 million at December 31, 1995, 1996 and 1997, respectively. The Company recorded a provision for doubtful accounts of \$0.4 million, \$1.2 million, and \$0.3 million during 1995, 1996 and 1997 respectively. In addition, the Company recorded write-offs of \$0.7 million, \$0.1 million, and \$0.7 million during 1995, 1996 and 1997, respectively and in 1996 and 1997 transferred from other accounts \$0.9 million and \$0.4 million, respectively.

Accounts receivable include retainage which has been billed but is not due until completion of performance and acceptance by customers, and claims for additional work performed outside original contract terms. Retainage aggregated \$4.1 million and \$10.2 million at December 31, 1996 and 1997, respectively.

Included in accounts receivable is unbilled revenue of \$42.4 million and \$97.5 million at December 31, 1996 and 1997, respectively. Such unbilled amounts represent work performed but not billable to customers as per individual contract terms.

4. PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of December 31, 1996 and 1997 (in thousands):

	1996	1997
	----	----
Land	\$ 7,583	\$ 8,430
Buildings and improvements	6,754	9,474
Machinery and equipment	77,254	106,254
Office furniture and equipment	3,876	5,810
	-----	-----
	95,467	129,968
Less-accumulated depreciation	(28,290)	(43,859)
	-----	-----
	\$ 67,177	\$ 86,109
	=====	=====

5. DEBT

Debt is comprised of the following (in thousands):

	At December 31,	
	1996	1997
	----	----
Revolving Credit Facility, at LIBOR plus 1.00% (6.96% at December 31, 1997)	\$ 0	\$ 83,010
Fleet Credit Facility at LIBOR plus 2.00%-2.25% and 7.75% -7.94% at December 31, 1996)	46,865	0
Revolving Credit Facility, at MIBOR plus 0.30% (7.0% at December 31, 1996 and 5.60% at December 31, 1997 due on November 1, 1998)	43,613	10,894
Other bank facilities, denominated in Spanish pesetas, at interest rates from 8.1% to 9.3% at December 31, 1996 and 5.65% - 6.75% at December 31, 1997	11,048	17,438
Notes payable for equipment, at interest rates from 7.5% to 8.5% due in installments through the year 2000	28,607	14,500
Notes payable for acquisitions, at interest rates from 7% to 8% due in installments through February 2000	32,253	23,215
Real estate mortgage notes, at interest rates from 8.5% to 8.53%	2,548	0
	-----	-----
Total debt	164,934	149,057
Less current maturities	(39,916)	(54,562)
	-----	-----
Long term debt	\$ 125,018	\$ 94,495
	=====	=====

In June 1997, the Company obtained a \$125.0 million revolving credit facility (the "Credit Facility"), from a group of financial institutions led by BankBoston, N.A. maturing on June 9, 2000 to replace the Fleet Credit Facility and certain other domestic debt. As a result of the prepayment of the Fleet Credit Facility, deferred financing costs and a termination fee totaling \$690,000 were expensed in the second quarter of 1997. The Credit Facility is secured by a pledge of the stock of the Company's principal domestic subsidiaries and a portion of the stock of Sintel.

Additionally, the Company has several credit facilities denominated in Pesetas, one of which is a revolving credit facility with a wholly-owned finance subsidiary of Telefonica. Interest on this facility accrues at MIBOR (Madrid interbank offered rate) plus .30%. At December 31, 1996 and 1997, the Company had \$82.1 million (11.3 billion Pesetas) and \$50.6 million (7.7 billion Pesetas), respectively of debt denominated in Pesetas, including \$27.4 million and \$22.3 million, respectively, remaining under the acquisition debt incurred pursuant to the Sintel acquisition (see Note 2). The Company has paid a portion of the December 31, 1997 installment in connection with the acquisition debt, with the remaining amount to be paid pending resolution of the offsetting amounts between the Company and Telefonica.

On January 30, 1998, the Company sold \$200.0 million, 7.75% senior subordinated notes (the "Notes") due in 2008 with interest due semi-annually. The net proceeds were used to repay amounts outstanding under the Credit Facility and for other corporate purposes.

The Credit Facility and Notes contain certain covenants which, among other things, restrict the payment of dividends, limit the Company's ability to incur additional debt, create liens, dispose of assets, merge or consolidate with another entity or make other investments or acquisitions, and provide that the Company must maintain minimum amounts of stockholders' equity and financial ratio coverages, requiring, among other things, minimum ratios at the end of each fiscal quarter of debt to earnings, earnings to interest expense and accounts receivable to trade payables.

In May 1996, the Company called its 12% convertible subordinated debentures (the "Debentures") effective June 30, 1996. The Debentures were converted into common stock increasing the number of shares outstanding by 690,456.

At December 31, 1997 debt matures as follows:

1998	\$ 54,562
1999	11,485
2000	83,010

Total	\$ 149,057
	=====

6. STOCK OPTION PLANS

Shares underlying stock options and exercise prices have been adjusted to reflect the three-for-two stock split declared in 1997 by the Board of Directors. The Company's only stock option plan currently in effect is the 1994 Stock Incentive Plan (the "1994 Plan"). However, options which were outstanding under the Company's 1976 and 1978 stock option plans at the time of the Burnup Acquisition remain outstanding in accordance with the terms of the respective plans. Approximately 49,200 shares have been reserved for and may still be issued in accordance with the terms of such plans. Compensation expense of \$589,000 and \$14,700 was recorded in 1996 and 1997, respectively, related to the 1976 plan.

The 1994 Plan authorizes the grant of options or awards of restricted stock up to 2,500,000 shares of the Company's common stock, of which 500,000 shares may be awarded as restricted stock. As of December 31, 1997, options to purchase 1,412,625 shares had been granted. Options become exercisable over a five year period in equal increments of 20% per year beginning the year after the date of grant and must be exercised within ten years from the date of grant. Options are issued with an exercise price no less than the fair market value of the common stock at the grant date.

The Company also adopted the 1994 Stock Option Plan for Non-Employee Directors (the "Directors' Plan"). The Directors' Plan authorized the grant of options to purchase up to 600,000 shares of the Company's common stock to the non-employee members of the Company's Board of Directors. Options to purchase 112,500 shares have been granted to Board members through 1997. The options granted become exercisable ratably over a three year period from the date of grant and may be exercised for a period of up to ten years beginning the year after the date of grant at an exercise price equal to the fair market value of such shares on the date the option is granted.

In addition, during 1994 options to purchase 150,000 shares of common stock at \$3.83 per share were granted to a director outside the Directors' Plan in lieu of the Director's Plan and annual fees paid to the director. Compensation expense of \$42,500 in connection with the issuance of this option is being recognized annually over the five year vesting period. The options are exercisable ratably over a five year period beginning the year after the date of grant and may be exercised for a period of up to ten years beginning the year after the date of grant.

During 1997, options to purchase 209,000 shares of common stock at prices no less than the fair market value of the common stock at the date of grant ranging from \$21.09 to \$40.67 were granted to individuals outside the 1994 Plan subject to varying vesting schedules.

The following is a summary of all stock option transactions:

	Shares	Weighted Avg. Exercise Price	Exercise Price	Weighted Avg. Fair Value of Options Granted
Outstanding December 31, 1994	407,700	\$ 4.62	\$ 0.10 - \$ 5.29	
Granted	303,000	8.48	\$ 6.83 - \$ 8.92	\$ 4.22
Exercised	(3,150)	5.29	\$ 0.10 - \$ 5.29	
Canceled	(30,750)	3.94	\$ 0.10 - \$ 8.92	
Outstanding December 31, 1995	676,800	\$ 6.33	\$ 0.10 - \$ 8.92	
Granted	306,000	17.05	\$ 7.42 - \$ 28.58	\$ 9.23
Exercised	(82,200)	6.38	\$ 0.10 - \$ 8.92	
Canceled	(2,700)	5.29	\$ 5.29 - \$ 8.92	
Outstanding December 31, 1996	897,900	9.98	\$.10 - \$ 28.58	
Granted	992,725	24.96	\$ 21.09 - \$ 48.19	\$ 19.97
Exercised	(201,950)	5.58	\$ 0.10 - \$ 21.83	
Canceled	(78,850)	23.62	\$ 5.29 - \$ 31.63	
Outstanding December 31, 1997	1,609,825	19.10	\$ 1.33 - \$ 48.18	

The following table summarizes information about stock options outstanding at December 31, 1997:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding at 12/31/97	Wtd. Avg. Remaining Contractual Life	Wtd. Avg. Exercise Price	Number Exercisable at 12/31/97	Wtd. Avg. Exercise Price
\$ 1.33 - \$ 8.16	251,250	6.9	\$ 5.73	43,650	\$ 5.63
\$ 8.67 - \$ 9.81	250,200	7.1	\$ 9.09	92,550	\$ 9.10
\$ 21.09 - \$ 26.50	839,400	9.7	\$ 21.47	26,250	\$ 21.52
\$ 28.19 - \$ 31.62	218,985	9.2	\$ 31.55	750	\$ 28.58
\$ 34.79 - \$ 48.19	49,990	9.3	\$ 42.05	-	\$ -
\$ 1.33 - \$ 48.19	1,609,825	8.79	\$ 19.10	163,200	\$ 10.26

In 1996, the Company adopted the disclosure provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, the Company is required to disclose pro forma net income and earnings per share both for 1996 and 1997 as if compensation expense relative to the fair value of the options granted had been included in earnings. The fair value of each option grant was estimated using the BlackScholes option-pricing model with the following assumptions used for grants in 1996 and 1997, respectively: a five and six year expected life for 1996 and 1997, respectively; volatility factors of 51% and 82%, respectively; risk-free interest rates of 6.13% and 5.5%, respectively; and no dividend payments. Had compensation cost for the Company's options plans been determined and recorded in accordance with SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts as follows:

	1996 ----	1997 ----
Net income:		
As reported, including pro forma tax adjustment	\$ 33,116	\$ 40,069
Pro forma	\$ 32,262	\$ 34,202
Basic earnings per share:		
As reported, including pro forma tax adjustment	\$ 1.27	\$ 1.47
Pro forma	\$ 1.24	\$ 1.25
Diluted earnings per share:		
As reported, including pro forma tax adjustment	\$ 1.25	\$ 1.44
Pro forma	\$ 1.22	\$ 1.23

The 1996 and 1997 pro forma effect on net income is not necessarily representative of the effect in future years because it does not take into consideration pro forma compensation expense related to grants made prior to 1995 and does not reflect a tax benefit related to the compensation expense as such benefit would be reflected directly in stockholders' equity given that the options are considered incentive stock options.

7. INCOME TAXES

The provision (benefit) for income taxes consists of the following (in thousands):

	1995 ----	1996 ----	1997 ----
Current:			
Federal	\$ 5,541	\$ 9,896	\$ 9,606
Foreign		5,347	6,505
State and local	(284)	1,535	1,670
Total current	5,257	16,778	17,781
Deferred:			
Federal	(5,879)	(1,895)	2,778
State and local	(493)	(218)	456
Total deferred	(6,372)	(2,113)	3,234
(Benefit) provision for income taxes	(1,115)	14,665	21,015
Discontinued operations	135	(70)	80
Total	\$ (980)	\$ 14,595	\$ 21,095
	=====	=====	=====

The tax effects of significant items comprising the Company's net deferred tax liability as of December 31, 1996 and 1997 are as follows (in thousands):

	1996	1997
	----	----
Deferred tax assets:		
Accrued self insurance	\$ 3,050	\$ 2,100
Operating loss and tax credit carry forward	525	1,565
Accrual for disposal of discontinued operations	1,147	0
Intangible assets		9,471
All other	4,774	7,550
	-----	-----
Total deferred tax assets	9,496	20,686
	-----	-----
Deferred tax liabilities:		
Property and equipment	5,817	7,536
Asset revaluations	5,462	6,066
All other	1,718	3,871
	-----	-----
Total deferred tax liabilities	12,997	17,473
Valuation allowance	500	1,376
	-----	-----
Net deferred tax (liabilities) assets	\$ (4,001)	\$ 1,837
	=====	=====

The net change in the valuation allowance for deferred tax assets was an increase of \$876,000. Such change is attributed to \$1,304,000 related to a net operating loss which if not used will expire between 2006-2009, and a decrease of \$428,000 related to the utilization of net operating losses.

Deferred tax assets of \$2,096,000 and \$1,164,000 for 1996 and 1997, respectively, have been recorded in current assets in the accompanying consolidated financial statements.

A reconciliation of U.S. statutory federal income tax expense on the earnings from continuing operations is as follows:

	1995	1996	1997
	----	----	----
U.S. statutory federal rate			
applied to pretax income	35%	35%	35%
State and local income taxes	0	2	2
Effect of dividend exclusion	(49)	0	0
Effect of non-U.S. tax rates	0	(1)	(1)
Foreign loss producing no tax benefit	62	0	0
Adjustment of prior years' taxes	(46)	0	0
Change in federal statutory tax rate	82	0	0
Change in state tax filing status	(77)	0	0
Income from S corporations accounted for as poolings	(240)	(5)	(4)
Other	20	0	1
	---	---	---
(Benefit) provision for income taxes	(213)%	31%	33%
	====	===	===

No provision was made in 1996 and 1997 for U.S. income taxes on the undistributed earnings of the foreign subsidiaries as it is the Company's intention to utilize those earnings in the foreign operations for an indefinite period of time. At December 31, 1997, undistributed earnings of the foreign subsidiaries amounted to \$26.2 million. If the earnings of such foreign subsidiaries were not indefinitely reinvested, a deferred tax liability of \$2.3 million would have been required.

The Internal Revenue Service (the "IRS") has examined the tax returns of Burnup & Sims for the fiscal years ended April 30, 1989 through April 30, 1993. The Company has filed a protest with the appellate level of the IRS regarding assessments made for the years 1989 through 1991. Adjustments, if any, as a result of this audit will be recorded as an adjustment to purchase accounting.

8. CAPITAL STOCK

The Company has authorized 100,000,000 shares of common stock. At December 31, 1996 and 1997, approximately 27,806,000 and 28,056,000 shares of common stock were issued, 26,992,000 and 27,580,000 shares were outstanding (adjusted for the stock split and pooling transactions) (see Note 2), respectively, and 814,000 and 476,000 were held in treasury, at cost (after giving effect to the stock split paid in the form of a dividend from treasury stock), respectively. At December 31, 1996 and 1997, the Company had 5,000,000 shares of authorized but unissued preferred stock.

9. OPERATIONS BY GEOGRAPHIC AREAS

The Company's principal source of revenue is derived from telecommunications infrastructure construction services in the United States, Spain and Brazil. The Company did not have significant international operations in 1995 accordingly, geographic information for 1996 and subsequent is presented below:

	For the Year Ended December 31,	
	-----	-----
	1996	1997
	----	----
Revenue		
Domestic	\$ 345,913	\$ 420,976
International	188,155	282,393
	-----	-----
Total	\$ 534,068	\$ 703,369
	=====	=====
Operating income		
Domestic	\$ 33,760	\$ 44,327
International	19,733	21,450
	-----	-----
Total	\$ 53,493	\$ 65,777
	=====	=====
Identifiable assets		
Domestic	\$ 147,065	\$ 206,200
International	258,071	258,105
Corporate	106,018	123,293
	-----	-----
Total	\$ 511,154	\$ 587,598
	=====	=====

There are no transfers between geographic areas. Operating income consists of revenue less operating expenses, and does not include interest expense, interest and other income, equity in earnings of unconsolidated companies, minority interest and income taxes. Domestic operating income is net of corporate general and administrative expenses. Identifiable assets of geographic areas are those assets used in the Company's operations in each area. Corporate assets include cash and cash equivalents, investments in unconsolidated companies, net assets of discontinued operations, real estate held for sale and notes receivable.

10. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK

The Company derives a substantial portion of its revenue from providing telecommunications infrastructure services to Telefonica, BellSouth and Telebras. For the year ended December 31, 1995, the Company derived 33% of its revenue from services performed for BellSouth. For the year ended December 31, 1996, approximately 31% and 13% of the Company's revenue was derived from services performed for Telefonica and BellSouth, respectively. For the year ended December 31, 1997, approximately 26%, 12% and 11% of the Company's revenue was derived from services performed for Telefonica, BellSouth and Telebras, respectively. Revenue generated by MasTec Inepar from Telebras is included from August 1, 1997 (See Note 2). Accounts receivable from the Company's two largest customers at December 31, 1996 and three largest for 1997 were \$194.2 million and \$192.0 million, respectively. Although the Company's strategic plan envisions diversification of its customer base, the Company anticipates that it will continue to derive a significant portion of its revenue in the future from Telefonica and its affiliates, BellSouth and Telebras.

11. COMMITMENTS AND CONTINGENCIES

In December 1990, Albert H. Kahn, a stockholder of the Company, filed a purported class action and derivative suit in Delaware state court against the Company, the then-members of its Board of Directors, and National Beverage Corporation ("NBC"), the Company's then-largest stockholder. The complaint alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties in approving certain transactions.

In November 1993, Mr. Kahn filed a class action and derivative complaint against the Company, the then members of its Board of Directors, and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal shareholders of the Company. The 1993 lawsuit alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties by approving the terms of the acquisition of the Company by the Mas family, and that the Mas family had knowledge of the fiduciary duties owed by NBC and the Company's Board of Directors and knowingly and substantially participated in the breach of these duties. The lawsuit also claims derivatively that each member of the Company's Board of Directors engaged in mismanagement, waste and breach of fiduciary duties in managing the Company's affairs prior to the acquisition by the Mas Family.

There has been no activity in either of these lawsuits in more than a year. The Company believes that the allegations in each of the lawsuits are without merit and intends to defend these lawsuits vigorously.

In August 1997, the Company settled its lawsuit with BellSouth arising from certain work performed by a subcontractor of the Company from 1991 to 1993 for nominal consideration.

In November 1997, Church & Tower filed a lawsuit against Miami-Dade County (the "County") in Florida state court alleging breach of contract and seeking damages exceeding \$3.0 million in connection with the County's refusal to pay amounts due to Church & Tower under a multi-year agreement to perform road restoration work for the Miami-Dade Water and Sewer Department ("MWSD"), a department of the County, and the County's wrongful termination of the agreement. The County has refused to pay amounts due to Church & Tower under the agreement until alleged overpayments under the agreement have been resolved, and has counterclaimed against the Company seeking damages that the Company believes will not exceed \$2.1 million. The County also has refused to award a new road restoration agreement for MWSD to Church & Tower, which was the low bidder for the new agreement. The Company believes that any amounts due to the County under the existing agreement are not material and may be recoverable in whole or in part from Church & Tower subcontractors who actually performed the work and whose bills were submitted directly to the County.

The Company is a party to other pending legal proceedings arising in the normal course of business, none of which the Company believes is material to the Company's financial position or results of operations.

In 1990, Trilogy Communications, Inc. filed suit against Excom Realty, Inc., a wholly owned subsidiary of the Company, for damages and declaratory relief. The Company counterclaimed for damages. On May 1, 1995, the Company settled its counterclaim for \$1.3 million, which is recorded as other income in the accompanying consolidated financial statements.

In connection with certain contracts, the Company has signed certain agreements of indemnity in the aggregate amount of approximately \$87.5 million, of which approximately \$37.3 million relate to the uncompleted portion of contracts in process. These agreements are to secure the fulfillment of obligations and performance of the related contracts.

Federal, state and local laws and regulations govern the Company's operation of underground fuel storage tanks. The Company is in the process of removing, restoring and upgrading these tanks, as required by applicable laws, and has identified certain tanks and surrounding soil which will require remedial cleanups.

12. FAIR VALUE

For certain of the Company's financial instruments, including cash and cash equivalents, accounts and notes receivable, accounts payable and other liabilities, the carrying amounts approximate fair value due to their short maturities. Long-term floating rate debt is carried at amounts that approximate fair value. The Company uses letters of credit to back certain insurance policies. The letters of credit reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place.

The estimated fair values may not be representative of actual values of the financial instruments that could have been realized as of year end or that will be realized in the future.

13. DISCONTINUED OPERATIONS AND REAL ESTATE HELD FOR SALE

In the third quarter of 1995, the Company determined to concentrate its resources and better position itself to achieve its strategic growth objectives by disposing of all of the general products segment that the Company acquired as part of the Burnup Acquisition. These operations and assets included Southeastern Printing Company, Inc. ("Southeastern"), Lectro Products, Inc. ("Lectro") and Floyd Theatres, Inc. ("Floyd Theatres"). As a result of the decision to accelerate disposal of these assets, the Company recorded a special charge in the third quarter of 1996 of \$15.4 million to adjust the carrying values of its real estate investment to estimated net realizable value based on offers received by the Company to dispose of certain real estate investments in a bulk transaction. The original value assigned to the real estate investments contemplated the disposition of the properties on an individual basis and no considerations had previously been given to a bulk sale. In the fourth quarter of 1995, the Company recorded an additional charge of \$7.7 million to reflect the value realized upon a sale of certain real estate and the Company's preferred stock investment in early 1996. These assets were sold at prices and in a manner designed to facilitate their immediate disposal so that the Company could concentrate its resources on its core telecommunications and other utilities construction business.

In March 1995, the Company sold the indoor theater assets of Floyd Theatres for approximately \$11.5 million. A gain of \$1.5 million, net of tax, resulted from this transaction in the first quarter of 1995. In August 1995, the Company sold the stock of Lectro for \$11.9 million in cash and a note receivable of \$450,000. A gain of \$5.9 million, net of tax, was recorded in the third quarter of 1995 related to the sale of Lectro. A loss of approximately \$6.4 million, net of tax, relating to the disposition of these discontinued operations was recorded in the fourth quarter of 1995. In January 1997, the Company sold the assets of Southeastern at its carrying value for approximately \$2.1 million in cash and a note for \$500,000.

As part of the acquisition of Harrison-Wright Company, Inc. (see Note 2), the Company purchased the assets of Utility Pre-cast, Inc. The Company intends to sell the pre-cast business and accordingly has reflected the net assets of approximately \$4.2 million as a discontinued operation.

Included in other current assets in the accompanying balance sheet is approximately \$15.7 million and \$10.9 million of real estate held for sale at December 31, 1996 and 1997, respectively.

Discontinued operations include management's best estimates of the amounts expected to be realized on the sale of these assets. While the estimates are based on current negotiations, the amounts the Company will ultimately realize could differ materially in the near term from the amounts assumed in arriving at the loss on disposal of the discontinued operations.

Summary operating results of discontinued operations, excluding net gains on disposal and estimated loss during the phase-out period, are as follows (in thousands):

	1995 ----	1996 ----	1997 ----
Revenue	\$ 21,952 =====	\$ 12,665 =====	\$ 4,471 =====
Earnings (loss) before income taxes	\$ 58	\$ (288)	\$ 209
Provision (benefit) for income taxes	20	(111)	80
Net income (loss) from discontinued operations	\$ 38 =====	\$ (177) =====	\$ 129 =====

14. QUARTERLY FINANCIAL DATA (Unaudited)

(Dollars in thousands, except earnings per share)

	First Quarter -----	Second Quarter (2) -----	Third Quarter (3) -----	Fourth Quarter (4) -----	Total -----
1996:					
Revenue	\$ 70,670 =====	\$ 122,964 =====	\$ 162,208 =====	\$ 178,226 =====	\$ 534,068 =====
Operating income	\$ 5,954 =====	\$ 10,194 =====	\$ 17,131 =====	\$ 20,214 =====	\$ 53,493 =====
Income from continuing operations, as reported	\$ 3,696 =====	\$ 5,689 =====	\$ 11,586 =====	\$ 15,083 =====	\$ 36,054 =====
Pro forma income from continuing operations (6)	\$ 3,371	\$ 5,645	\$ 10,752	\$ 13,459	\$ 33,227
(Loss) income from discontinued operations including gain (loss) on disposal, net of taxes	(14) -----	27 -----	163 -----	(287) -----	(111) -----
Pro forma net income	\$ 3,357 =====	\$ 5,672 =====	\$ 10,915 =====	\$ 13,172 =====	\$ 33,116 =====
Pro forma basic earnings per share (1) (5):					
Continuing operations	\$ 0.13	\$ 0.22	\$ 0.41	\$ 0.50	\$ 1.27
Discontinued operations	0.00 -----	0.00 -----	0.01 -----	(0.01) -----	0.00 -----
	\$ 0.13 =====	\$ 0.22 =====	\$ 0.42 =====	\$ 0.49 =====	\$ 1.27 =====
Diluted earnings per share (1) (5):					
Continuing operations	\$ 0.13	\$ 0.22	\$ 0.40	\$ 0.49	\$ 1.25
Discontinued operations	0.00 -----	0.00 -----	0.01 -----	(0.01) -----	0.00 -----
	\$ 0.13 =====	\$ 0.22 =====	\$ 0.41 =====	\$ 0.48 =====	\$ 1.25 =====
1997:					
Revenue	\$ 138,290 =====	\$ 160,726 =====	\$ 201,117 =====	\$ 203,236 =====	\$ 703,369 =====
Operating income	\$ 15,704 =====	\$ 19,818 =====	\$ 22,319 =====	\$ 7,936 =====	\$ 65,777 =====
Income from continuing operations, as reported	\$ 9,571 =====	\$ 12,816 =====	\$ 13,832 =====	\$ 6,316 =====	\$ 42,535 =====
Pro forma income from continuing operations (6)	\$ 9,478	\$ 12,001	\$ 12,145	\$ 6,316	\$ 39,940
(Loss) income from discontinued operations including gain (loss) on disposal, net of taxes	(51) -----	123 -----	46 -----	11 -----	129 -----
Pro forma net income	\$ 9,427 =====	\$ 12,124 =====	\$ 12,191 =====	\$ 6,327 =====	\$ 40,069 =====
Pro forma:					
Basic earnings per share (1) (5):					
Continuing operations	\$ 0.35	\$ 0.44	\$ 0.44	\$ 0.23	\$ 1.46
Discontinued operations	0.00 -----	0.00 -----	0.00 -----	0.00 -----	0.01 -----
	\$ 0.35 =====	\$ 0.44 =====	\$ 0.44 =====	\$ 0.23 =====	\$ 1.47 =====
Diluted earnings per share (1) (5):					
Continuing operations	\$ 0.35	\$ 0.43	\$ 0.43	\$ 0.23	\$ 1.43
Discontinued operations	0.00 -----	0.00 -----	0.00 -----	0.00 -----	0.01 -----
	\$ 0.35 =====	\$ 0.43 =====	\$ 0.43 =====	\$ 0.23 =====	\$ 1.44 =====

- (1) Earnings per share amounts have been adjusted to reflect the three-for-two stock split declared effected on February 28, 1997 and shares issued in connection with two acquisitions accounted for under the pooling of interest method.
- (2) The Company acquired Sintel (see Note 2) on April 30, 1996.
- (3) In the third quarter of 1997, the Company commenced operations in Brazil (see Note 2). (4) In the fourth quarter of 1997, the Company sold, at a gain of \$4.4 million net of tax, a portion of its investment in Conecel. See Note 2.
- (5) Earnings per share are computed independently for each of the quarters presented. Therefore, the sum of the quarterly per share data does not equal the total computed for the year due to changes in the weighted average number of common shares outstanding.
- (6) Amounts and earnings per share have been adjusted to reflect a pro forma tax provision for two acquisitions accounted for under the pooling of interest method which were previously S corporations.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 31, 1998.

MasTec, Inc.
(Registrant)

Edwin D. Johnson
Senior Vice President -
Chief Financial Officer
(Principal Financial and Accounting Officer)

The undersigned directors and officers of MasTec, Inc. hereby constitute and appoint Edwin D. Johnson and Jose M. Sariago and each of them with full power to act without the other and with full power of substitution and resubstitution, our true and lawful attorneys-in-fact with full power to execute in our name and behalf in the capacities indicated below this Annual Report on Form 10-K and any and all amendments thereto and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and hereby ratify and confirm all that such attorneys-in-fact, or any of them, or their substitutes shall lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 31, 1998.

Jorge Mas
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

Joel-Tomas Citron
Director

Jose S. Sorzano
Director

Arthur B. Laffer
Director

Eliot C. Abbott
Director

EXHIBIT INDEX

- 3.1 Certificate of Incorporation and By-laws of the Company, filed as Exhibit 3(i) to Company's Registration Statement on Form S-8 (File No. 33-55237) and incorporated by reference herein.
- 3.2 Certificate of Amendment to Certificate of Incorporation of the Company.
- 4.1 7 3/4% Senior Subordinated notes Due 2008 Indenture dated as of February 4, 1998, filed as Exhibit 4.2 to the Company's Registration Statement on Form S-4 (file No. 333-46361) and incorporated by reference herein.
- 10.1 Stock Option Agreement dated March 11, 1994 between the Company and Arthur B. Laffer as filed as Exhibit 10.6 to the Company's Form 10-K for the year ended December 31, 1995 and incorporated by reference herein.
- 10.2 Stock Option Agreement dated December 29, 1997 between the Company and Henry N. Adorno.
- 10.3 Stock Option Agreement dated December 29, 1997 between the Company and Joel-Tomas Citron.
- 10.4 Revolving Credit Agreement dated as of June 9, 1997 between the Company, certain of its subsidiaries, and Bank Boston, N.A. as agent.
- 10.5 Agreement dated July 21, 1997 between the Company and Inepar S/A Industrias e Construcoes.
- 21.1 Subsidiaries of the Company.
- 23.1 Consent of Arthur Andersen L.L.P.
- 23.2 Consent of Arthur Andersen L.L.P.
- 23.3 Consent of Arthur Andersen L.L.P.
- 23.4 Consent of Arthur Andersen L.L.P.
- 23.5 Consent of Arthur Andersen L.L.P.
- 23.6 Consent of Arthur Andersen L.L.P.
- 23.7 Consent of Arthur Andersen L.L.P.
- 23.8 Consent of Arthur Andersen L.L.P.
- 23.9 Consent of Arthur Andersen L.L.P.
- 23.10 Consent of Coopers & Lybrand L.L.P.
- 23.11 Consent of Coopers & Lybrand L.L.P.
- 23.12 Consent of Coopers & Lybrand L.L.P.
- 23.13 Consent of Coopers & Lybrand L.L.P.
- 23.14 Consent of Coopers & Lybrand L.L.P.
- 23.15 Consent of Coopers & Lybrand L.L.P.
- 23.16 Consent of Coopers & Lybrand L.L.P.
- 23.17 Consent of Coopers & Lybrand L.L.P.
- 23.18 Consent of Coopers & Lybrand L.L.P.
- 27.1 Financial Data Schedule - 1997
- 27.2 Financial Data Schedule - 1996
- 27.3 Financial Data Schedule - 1995

STOCK OPTION AGREEMENT

MASTEC, INC., a Delaware corporation, (the "Company"), grants to HENRY N. ADORNO ("Optionee") an option (the "Option") to purchase One Hundred Thousand (100,000) shares of Common Stock, \$.10 par value, of the Company (the "Stock"). The exercise price under the Option shall be \$21.0938 per share of Stock. The Option to purchase the Stock shall vest on each of December 29, 1998, 1999, 2000, 2001 and 2002 in accordance with the following schedule:

First Year	Second Year	Third Year	Fourth Year	Fifth Year
-----	-----	-----	-----	-----
20,000	20,000	20,000	20,000	20,000

This option is not being issued under the Company's 1994 Incentive Stock Plan and shall not be treated as an incentive stock option as defined in Section 422A(b) of the Internal Revenue Code of 1986, as amended.

1. TERM OF OPTION. The term of this option shall end at the close of business on the earliest of the following dates:

(a) Ten (10) years from the date of grant hereof; or

(b) Upon termination of the Optionee's employment with the Company or its subsidiaries for any reason other than retirement, disability or death, or upon the Optionee's voluntary termination of employment with the Company; or

(c) At the expiration of three months after termination of the Optionee's employment by reason of retirement or disability, provided that if the Optionee dies within such three month period sub-paragraph (d) shall apply; or

(d) Upon the expiration of one year from the date of death of the Optionee.

2. EXERCISE OF OPTION. This option may not be exercised (i) at a time when the exercise hereof or the issuance or transfer of shares hereunder would constitute a violation of any federal or state law or regulation or any listing requirements of any national securities exchange or other appropriate exchange on which the Company's securities may be listed; or (ii) until one year from the date of the grant thereof, as heretofore provided. Thereafter the Optionee may exercise this option in cumulative annual equal installments during the term of the option.

The Optionee may, for the term of the option: (a) exercise the option to purchase those number of shares listed under "First Year" beginning on the first year after the date of the grant hereof; (b) exercise the option to purchase those number of shares listed under "Second Year"; beginning on the second year after the date of the grant hereof; (c) exercise the option to purchase those number of shares listed under "Third Year"; beginning on the third year after the date of the grant hereof; (d) exercise the option to purchase those number of shares under "Fourth Year"; beginning on the fourth year after the date of the grant hereof; and (e) exercise the option to purchase those number of shares under "Fifth Year"; beginning on the fifth year after the date of the grant hereof.

This option may be exercised at any time and from time to time in full or in part during its term (up to the amount of Stock then exercisable) upon written notice given by the Optionee or, in the event of the Optionee's death, by the person designated in the Optionee's will, or in the absence of such designation, by his legal representatives to the Treasurer of the Company, which shall (i) specify the number of shares to be purchased and (ii) contain, if directed by the Company, a representation by the Optionee that such shares are being acquired for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof and which shall be accompanied by payment in cash of shares of stock having a fair market value equal to the option price for the number of shares with respect to which the option is then exercised.

An Optionee shall not be, or have any of the rights or privileges of, a shareholder of the Company in respect of any shares purchasable upon the exercise of an option unless and until a certificate or certificates representing such shares shall have been issued by the Company to or in the name of the Optionee. Certificates representing shares purchased by an Optionee shall be issued upon receipt by the Company of the full amount of the option price.

3. ASSIGNMENT. This option is not transferable by the Optionee otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him. In the event of death of the Optionee, the person designated in his will, or in the absence of such delegation, his legal representative may exercise each option held by the deceased Optionee subject to clause (d) of paragraph 1 and paragraph 2, above.

4. RECAPITALIZATION. In the event of any increase or reduction in the amount of outstanding shares of Stock by reason of a stock split, stock dividend, combination of shares or recapitalization occurring after the effective date hereof the number and class of shares subject to this option and the option price shall be correspondingly adjusted by Compensation and Stock Option Committee of the Board of Directors ("Committee"). No adjustment shall be made by reason of the distribution of subscription rights on outstanding Stock.

5. CORPORATE TRANSACTIONS. In the event of a dissolution or liquidation of the Company or a merger or consolidation in which the Company is not the surviving corporation, the Committee may, at its sole discretion, recommend that the Board of directors take any of the actions specified in the Plan.

6. GOVERNING LAW. This option agreement shall be construed, administered and governed in all respects under and by the laws of the State of Delaware.

7. ADMINISTRATION. This option shall be exercised in accordance with such administration regulations as the Committee shall from time to time adopt.

DATED: December 29, 1997.

MASTEC, INC.

By: _____
Jorge Mas, Chairman of the Board,
President and Chief Executive Officer

ACCEPTED:

Henry N. Adorno

NONINCENTIVE STOCK OPTION AGREEMENT

A Nonincentive Stock Option (the "Option") is hereby granted by MASTEC, INC., a Delaware corporation (the "Company"), to JOEL-TOMAS CITRON ("Optionee"), for and with respect to common stock of the Company, par value \$.10 per share (the "Common Stock"), subject to the following terms and conditions:

1. Option Grant. Subject to the provisions set forth herein, and in consideration of the agreements of the Optionee herein provided, the Company hereby grants to the Optionee an Option to purchase from the Company the number of shares of Common Stock, at the purchase price per share, and on the schedule, all as set forth below. This Option shall not be treated as an incentive stock option as defined in Section 422A(b) of the Internal Revenue Code of 1986, as amended.

Number of Shares
Subject to Option: 10,000

Option Price Per Share: \$21.0938

Date of Grant: December 29, 1997

Exercise Schedule:

Number of Shares Subject to Option	Commencement Date	Expiration Date
-----	-----	----
3,334	Dec. 29, 1998	Dec. 29, 2007
3,333	Dec. 29, 1999	Dec. 29, 2007
3,333	Dec. 29, 2000	Dec. 29, 2007

2. General Terms and Conditions of Option.

(a) The Option shall be subject to the following restrictions on exercise:

i. The Option shall not be immediately exercisable. The Option shall not be exercisable, in whole or in part, prior to the expiration of one (1) year from the date of grant except in the event of the Optionee's death, or after the expiration of ten years from the date the Option was granted. In no event may the Option be exercised prior to the expiration of six (6) months from the date of grant. To the extent that the Option is not exercised within the ten-year period of exercisability, it shall expire as to the then unexercised part.

ii. The Option shall not be exercisable with respect to a fractional share or with respect to the lesser of fifty (50) shares or the full number of shares then subject to the Option.

iii. Except as provided in Section 3, the Option shall not be exercisable in whole or in part unless the Optionee, at the time the Optionee exercises the Option, is, and has been at all times since the date of grant of the Option, a director of the Company.

(b) Written notice of an election to exercise any portion of the Option, specifying the portion thereof being exercised and the exercised date, shall be given by the Optionee, or his personal representative in the event of the Optionee's death, (i) by delivering such notice at the principal executive offices of the Company no later than the exercise date, or (ii) by mailing such notice, postage prepaid, addressed to the Secretary of the Company at the principal executive offices of the Company at least three business days prior to the exercise date.

(c) The Option may be exercised only by making payment in full for the shares of Common Stock being acquired thereunder at the time of exercise (including applicable withholding taxes, if any) by check or bank draft, or by tendering to the Company Common Stock shares already owned by the person exercising the Option, which may include shares received as the result of a prior exercise of the Option, and having a fair market value equal to the cash exercise price applicable to such Option, or by tendering a combination of cash and Common Stock shares as aforesaid.

(d) In the event the Option shall be exercised in whole, this agreement shall be surrendered to the Company for cancellation. In the event the Option shall be exercised in part, or a change in the number or designation of the Common Stock shall be made, this agreement shall be delivered by the Optionee to the Company for the purpose of making appropriate notation thereon, or of otherwise reflecting, in such manner as the Company shall determine, the partial exercise or the change in the number or designation of the Common Stock.

3. Termination of Service. The Option shall terminate upon the termination, for any reason, of the Optionee's directorship with the Company, and no shares may thereafter be purchased under such Option, except as follows:

(a) Upon retirement as a director of the Company

after at least six years of service, the unexpired part of the Option held by the Optionee shall, to the extent otherwise exercisable on such date, remain exercisable, in whole or in part, for a period of three (3) years following such retirement.

(b) Upon termination of service as a director of the Company by reason of death or disability, the unexpired part of the Option held by the Optionee, or in the case of death, the Optionee's executors, administrators, heirs or distributors, as the case may be, shall become immediately exercisable and shall remain exercisable, in whole or in part, for a period of three (3) years after such termination. Disability shall mean an inability as determined by the Board of Directors of the Company ("Board") to perform duties and services as a director of the Company by reason of a medically determinable physical or mental impairment, supported by medical evidence, which can be expected to last for a continuous period of not less than six (6) months.

In the event the Option is exercised by the executors, administrators, heirs or distributees of the estate of the deceased Optionee, the Company shall be under no obligation to issue Common Stock thereunder unless and until the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representative of the deceased Optionee's estate or the proper legatees or distributees thereof.

In no event, however, may the Option be exercised (i) prior to the expiration of six months from the date of grant, or (ii) after ten (10) years from the date it was granted.

4. Change in Control. (a) Subject to the limitations set forth in the last paragraph, in the event of a change in control of the Company, (i) the Option shall immediately become exercisable in full, and (ii) the Optionee shall have the right within one (1) year after such event to exercise the Option in full.

(b) For purposes of this Section 4, a "change in control" shall be deemed to have occurred if at any time on or after the date hereof:

i. there shall be consummated:

(1) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which any shares of Common Stock are to be converted into cash, securities or other property, provided that the consolidation or merger is not with a corporation which was a wholly-owned subsidiary of the Company immediately before the consolidation or merger; or

(2) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company; or

ii. the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

iii. any "person," including a "group" as determined in accordance with Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act), directly or indirectly, of 33% or more of the combined voting power of the Company's then outstanding Common Stock, provided that such person, immediately before it becomes such 33% or more beneficial owner, is not (a) a wholly-owned subsidiary of the Company or (b) an individual, or a spouse or a child of such individual, that on March 12, 1994, owned greater than 20% of the combined voting power of such Common Stock, or (c) a trust, foundation or other entity controlled by an individual or individuals described in Section 4(b)(3)(iii); or

iv. individuals who constitute the Board on March 12, 1994 (the "Incumbent Board") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to March 12, 1994, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least three quarters of the directors comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this clause iv, considered as though such person were a member of the Incumbent Board.

5. Transferring of Option. The Optionee's rights and interest may not be assigned or transferred in whole or in part either directly

or by operation of law or otherwise (except in the event of the Optionee's death, by will or the laws of descent and distribution), including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner, and no such right or interest of the Optionee shall be subject to any obligation or liability of the Optionee.

6. Option Rights. Neither the Optionee nor any other person entitled to exercise the Option under the terms hereof shall be, or have any of the rights or privileges of, a shareholder of the Company in respect of any of the shares of Common Stock issuable on exercise of the Option, unless and until the Option has been exercised pursuant to the terms hereof and the purchase price for such shares shall have been paid in full.

7. Adjustment in the Event of Change in Stock. In the event of changes in the outstanding Common Stock of the Company by reason of stock dividends, reverse split, subdivision, recapitalizations, mergers, consolidations (whether or not the Company is a surviving corporation), split-ups, combinations or exchanges of shares, reorganization or liquidation, an extraordinary dividend payable in cash or property, and the like, the number, class and the price of shares of Common Stock subject to this outstanding Option shall be appropriately adjusted by the Board, whose determination shall be conclusive.

8. Administration of Option. (a) The Option shall be exercised in accordance with such administrative regulations as the Board shall from time to time reasonably adopt.

(b) If at any time the Board shall determine, in its reasonable discretion, that the listing, registration or qualification of shares upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with the exercise of this option hereunder, the Option may not be exercised in whole or in part unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Board in the exercise of its reasonable judgment.

9. Investment Representation. The Board may require the Optionee to furnish to the Company, prior to the issuance of any shares upon the exercise of all or part of this Option, an agreement stating that the shares acquired by him upon exercise are being acquired for investment and not with a view to the sale or distribution hereof.

10. Governing Law. The Option, and this agreement shall be construed, administered and governed in all respects under and by the laws of the State of Delaware.

EXECUTED: December 29, 1997.

MASTEC, INC.

By: _____
Jorge Mas, Chairman of the Board,
President and Chief Executive Officer

The undersigned hereby accepts the foregoing Option and the terms and conditions hereof.

Joel-Tomas Citron

such state or (B) have filed a notice of business activities report with the appropriate office or agency of such state for the current year; (vii) that are payable in Dollars; and (viii) that are not payable from an office outside of the United States.

Real Property. All real property heretofore, now, or hereafter owned or leased by the Borrowers.

Reimbursement Obligation. The Borrowers' obligation to reimburse the Agent and the Banks on account of any drawing under any Letter of Credit as provided in ss.3.2.

RCRA. See definition of Release.

Release. Shall have the meaning specified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. ss.ss.9601 et seq. ("CERCLA") and the term "Disposal" (or "Disposed") shall have the meaning specified in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. ss.ss.6901 et seq. ("RCRA") and regulations promulgated thereunder; provided, that in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply as of the effective date of such amendment and provided further, to the extent that the laws of a state wherein the property lies establishes a meaning for "Release" or "Disposal" which is broader than specified in either CERCLA or RCRA, such broader meaning shall apply.

Reserve Rate. For any day with respect to a LIBOR Loan, the maximum rate (expressed as a decimal) at which any lender subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any subsequent or similar regulation relating to such reserve requirements) against "Eurocurrency Liabilities" (as such term is defined in Regulation D), if such liabilities were outstanding. The Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Reserve Rate.

Revolving Credit Loans. Loans made by the Banks to the Borrowers pursuant to ss.2.1.

Revolving Credit Notes. The promissory notes of the Borrowers evidencing the Revolving Credit Loans hereunder, dated as of the date of this Agreement and in substantially the form of Exhibit A hereto.

Senior Debt. Funded Debt minus Subordinated Debt.

Sintel. Sistemas e Instalaciones de Telecomunicacion, S.A.

Sintel Group. Sintel, Sietel, S.A., Sintelar, S.A., Sintel Peru, S.A. and any Subsidiary of Sintel.

Sintel Stock Pledge Agreement. The stock pledge agreement and the International Pledge Documents (defined therein) among the International Signatories and the Agent for the benefit or in the name of the Banks in form and substance satisfactory to the Agent.

Stock Pledge Agreements. The U.S. Stock Pledge Agreement and the Sintel Stock Pledge Agreement.

Subordinated Debt. Indebtedness incurred by the Parent which has been subordinated to the Obligations; provided that (a) at the time such Subordinated Debt is incurred, no Default or Event of Default has occurred or would occur (including under ss.8.1 hereof) as a result of such incurrence, and the Parent shall have provided the Banks with a calculation of the Leverage Ratios required by ss.8.1 hereof showing compliance therewith on a pro forma basis taking into account the incurrence of such Subordinated Debt, and (b) the documentation evidencing such Subordinated Debt shall have been delivered to the Agent and shall contain all of the following characteristics: (i) it shall be unsecured, (ii) it shall bear a market rate of interest, (iii) it shall have an average weighted maturity of at least seven (7) years, (iv) it shall not require principal repayments thereof prior to the Maturity Date, (v) it shall have financial covenants (including covenants relating to incurrence of indebtedness) which are meaningfully less restrictive than those set forth herein, (vi) it shall have no restrictions on the Parent's or any of its Subsidiaries' ability to grant liens securing indebtedness ranking senior to such Subordinated Debt, (vii) it shall permit the incurrence of senior indebtedness under this Credit Agreement (and under any refinancings hereof) in a principal amount at least equal to the Total Commitment hereunder at the time of incurrence of such Subordinated Debt minus any mandatory or optional reductions thereof plus \$25,000,000, (viii) it may be cross-accelerated with the Obligations and other senior indebtedness of the Borrowers (but shall not be cross-defaulted except for payment defaults which the senior lenders have not waived) and may be accelerated upon bankruptcy, (ix) it shall provide that (A) upon any payment or distribution of the assets of the Parent or its Subsidiaries (including after the commencement of a bankruptcy proceeding) of any kind or character, all of the Obligations (including interest accruing after the commencement of any bankruptcy proceeding at the rate specified for the applicable Obligation, whether or not such interest is an allowable claim in any such proceeding) shall be paid in full prior to any payment being received by the holders of the Subordinated Debt and (B) until all of the Obligations (including the interest described in subclause (A) above) are paid in full, any payment or distribution to which the holders of the Subordinated Debt would be entitled but for the subordination provisions of the type described in clauses (x) and (xi) hereof shall be made to the holders of the Obligations, (x) it shall provide that in the event of a payment default under ss.12.1(a) or (b) hereof, the Parent shall not be required to pay the principal of, or any interest, fees and all other amounts payable with respect to the Subordinated Debt until the Obligations have been paid in full in cash, (xi) it shall provide that in the event of any other Event of Default, the Banks shall be permitted to block payments of principal,

interest, fees and all other amounts payable with respect to the Subordinated Debt for a period of 180 days, and (xii) it shall acknowledge that none of the provisions outlined in part (b) of this definition can be amended, modified or otherwise altered without the prior written consent of the Banks.

Subsidiary. Any corporation, association, trust, or other business entity of which the designated parent shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority of the outstanding capital stock or other interest entitled to vote generally.

Swing Line Loans. Loans made by BKB to the Borrowers pursuant to ss.2.11(a).

Swing Line Note. The promissory note of the Borrowers to BKB evidencing the Swing Line Loans hereunder, dated as of the date of this Agreement and in substantially the form of Exhibit B hereto.

Swing Line Settlement. The making or receiving of payments, in immediately available funds, by the Banks to or from the Agent in accordance with ss.2.11 hereof to the extent necessary to cause each Bank's actual share of the outstanding amount of the Loans to be equal to such Bank's Commitment Percentage of the outstanding amount of such Loans, in any case when, prior to such action, the actual share is not so equal.

Swing Line Settlement Amount. See ss.2.11(b).

Swing Line Settlement Date. See ss.2.11(b).

Swing Line Settling Bank. See ss.2.11(b).

Total Commitment. See ss.2.1.

U.S. Stock Pledge Agreement. The stock pledge agreement among the Parent, its U.S. Subsidiaries (other than Excluded Subsidiaries) and the Agent for the benefit or in the name of the Banks in form and substance satisfactory to the Agent.

U.S. Subsidiaries. Subsidiaries of the Parent which are organized under the laws of the United States of America, any state thereof or the District of Columbia.

ss.1.2. Rules of Interpretation.

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) Accounting terms capitalized but not otherwise defined herein have the meanings assigned to them by generally accepted accounting principles applied on a consistent basis by the accounting entity to which they refer.

(f) The words "include," "includes" and "including" are not limiting.

(g) All terms not specifically defined herein or by generally accepted accounting principles, which terms are defined in the Uniform Commercial Code as in effect in the Commonwealth of Massachusetts, have the meanings assigned to them therein.

(h) Reference to a particular "ss." refers to that section of this Agreement unless otherwise indicated.

(i) The words "herein," "hereof," "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

ss.2. THE REVOLVING CREDIT FACILITY.

ss.2.1. Commitment to Lend. Subject to the terms and conditions set forth in this Agreement, each of the Banks severally agrees to lend to the Borrowers and the Borrowers may borrow, repay, and reborrow from time to time commencing on the Closing Date and prior to the Maturity Date, upon notice by the Borrowers to the Agent given in accordance with ss.2.6, its Commitment Percentage of such sums as are requested by the Borrowers, provided that the outstanding amount of Loans (including the Swing Line Loans) and the Maximum Drawing Amount of the Letters of Credit shall not exceed a maximum aggregate amount outstanding of \$125,000,000 at any time, as such amount may be reduced pursuant to ss.2.2 hereof (the "Total Commitment"). Each request for a Loan or Letter of Credit hereunder shall constitute a representation and warranty by the Borrowers that the conditions set forth in ss.9 and ss.10, as the case may be, have been satisfied on the date of such request.

ss.2.2. Reduction of Total Commitment.

(a) The Borrowers shall have the right at any time and from time to time upon two (2) Business Days' prior written notice to the Agent to reduce by \$10,000,000 or an integral multiple thereof or

terminate entirely the Total Commitment, whereupon the Commitments of the Banks shall be reduced pro rata in accordance with their respective Commitment Percentages of the amount specified in such notice or, as the case may be, terminated. The Agent will notify the Banks promptly after receiving any notice of the Borrowers delivered pursuant to this ss.2.2. Notwithstanding the foregoing, at no time may the Total Commitment be reduced to an amount less than the sum of (i) the Maximum Drawing Amount, and (ii) all Loans then outstanding.

(b) No reduction or termination of the Commitments once made may be revoked; the portion of the Commitments reduced or terminated may not be reinstated; and amounts in respect of such reduced or terminated portion may not be reborrowed.

ss.2.3. The Revolving Credit Notes; the Swing Line Note.

(a) The Revolving Credit Loans shall be evidenced by separate promissory notes of the Borrowers in substantially the form of Exhibit A hereto (each a "Revolving Credit Note"), dated as of the date hereof. One Revolving Credit Note shall be payable to the order of each Bank in a principal amount equal to such Bank's Commitment or, if less, the outstanding amount of all Revolving Credit Loans made by such Bank, plus interest accrued thereon, as set forth herein.

(b) The Swing Line Loans shall be evidenced by a promissory note of the Borrowers in substantially the form of Exhibit B hereto (the "Swing Line Note"), dated as of the date hereof. The Swing Line Note shall be payable to BKB in the principal amount of \$5,000,000 or, if less, the outstanding amount of all Swing Line Loans made by BKB, plus interest accrued thereon, as set forth herein.

(c) The Borrowers irrevocably authorize each Bank to make or cause to be made, in connection with a Drawdown Date of any Loan, or at the time of receipt of any payment of principal on such Bank's Note(s), an appropriate notation on such Bank's records reflecting the making of such Loan or the receipt of such payment (as the case may be). The outstanding amount of the Loans set forth on such Bank's record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrowers hereunder or under any Note to make payments of principal of or interest on any Note when due.

ss.2.4. Interest on Loans.

(a) The outstanding principal amount of the Revolving Credit Loans shall bear interest at the rate per annum equal to (i) the Base Rate, or (ii) at the Borrowers' option as provided herein, the LIBOR Rate plus the Applicable LIBOR Margin.

(b) The outstanding principal amount of the Swing Line Loans shall bear interest at the rate per annum equal to the Applicable Swing Line Rate.

(c) Interest shall be payable (i) quarterly in arrears on the first Business Day of the next succeeding quarter, commencing July 1, 1997, on Base Rate Loans and Swing Line Loans, (ii) on the last day of the applicable Interest Period, and if such Interest Period is longer than three (3) months, also on the last day of the third month following the commencement of such Interest Period, on LIBOR Loans, and (iii) on the Maturity Date for all Loans.

ss.2.5. Election of LIBOR Rate; Notice of Election; Interest Periods; Minimum Amounts.

(a) At the Borrowers' option, so long as no Default or Event of Default has occurred and is then continuing, the Borrowers may (i) elect to convert any Revolving Credit Loan or a portion thereof from a Base Rate Loan to a LIBOR Loan, (ii) at the time of any Loan and Letter of Credit Request, specify that such requested Revolving Credit Loan shall be a LIBOR Loan, or (iii) upon expiration of the applicable Interest Period, elect to maintain an existing LIBOR Loan as such, provided that the Borrowers give notice to the Agent pursuant to ss.2.5(b) hereof. Upon determining any LIBOR Rate, the Agent shall forthwith provide notice thereof to the Borrowers and the Banks, and each such notice to the Borrowers and the Banks shall be considered prima facie correct and binding, absent manifest error.

(b) Three (3) LIBOR Business Days prior to the making of any LIBOR Loan or the conversion of any Base Rate Loan to a LIBOR Loan, or, in the case of an outstanding LIBOR Loan, the expiration date of the applicable Interest Period, the Borrowers shall give telephonic notice (confirmed by telecopy on the same LIBOR Business Day) to the Agent not later than 11:00 a.m. (Boston time) of its election pursuant to ss.2.5(a). Each such notice delivered to the Agent shall specify the aggregate principal amount of the Revolving Credit Loans to be borrowed or maintained as or converted to LIBOR Loans and the requested duration of the Interest Period that will be applicable to such LIBOR Loan, and shall be irrevocable and binding upon the Borrowers. If the Borrowers shall fail to give the Agent notice of their election hereunder together with all of the other information required by this ss.2.5(b) with respect to any Revolving Credit Loan, such Loan shall be deemed a Base Rate Loan. In the event that the Borrowers fail to provide any such notice with respect to the continuation of any LIBOR Loan as such, then such LIBOR Loan shall be automatically converted to a Base Rate Loan at the end of the then expiring Interest Period relating thereto.

(c) Notwithstanding anything herein to the contrary, the

Borrowers may not specify an Interest Period that would extend beyond the Maturity Date.

(d) All Revolving Credit Loans shall be in a minimum amount of not less than \$5,000,000 and in integral multiples of \$500,000 above such amount.

(e) In no event shall the Borrowers have more than seven (7) different maturities of LIBOR Loans outstanding at any time.

ss.2.6. Requests for Revolving Credit Loans. The Borrowers shall give to the Agent written notice in the form of Exhibit C hereto (or telephonic notice confirmed by teletype on the same Business Day in the form of Exhibit C hereto) of each Revolving Credit Loan requested hereunder (a "Loan and Letter of Credit Request") not later than (a) 9:00 a.m. (Boston time) on the proposed Drawdown Date of any Base Rate Loan, or (b) three (3) LIBOR Business Days prior to the proposed Drawdown Date of any LIBOR Loan. Each such notice shall be given by the Parent as agent for the Borrowers and shall specify the principal amount of the Revolving Credit Loan requested and shall include a current Loan and Letter of Credit Request, reflecting the Maximum Drawing Amount of all Letters of Credit outstanding. Each Loan and Letter of Credit Request shall be irrevocable and binding on the Borrowers and shall obligate the Borrowers to accept the Revolving Credit Loan requested from the Banks on the proposed Drawdown Date. Each of the representations and warranties made by or on behalf of any of the Borrowers to the Banks or the Agent in this Agreement or any other Loan Document shall be true and correct in all material respects when made and shall, for all purposes of this Agreement, be deemed to be repeated on and as of the date of the submission of any Loan and Letter of Credit Request and on and as of the Drawdown Date of any Loan (including Swing Line Loans) or the date of issuance or renewal of any Letter of Credit (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and the other Loan Documents and changes occurring in the ordinary course of business that do not in the aggregate have a material adverse effect on the Borrowers taken as a whole, or to the extent that such representations and warranties expressly relate to an earlier date). The Agent shall promptly notify each Bank of each Loan and Letter of Credit Request received by the Agent (i) not later than 12:00 p.m. (Boston time) on the proposed Drawdown Date of any Base Rate Loan, (ii) three (3) LIBOR Business Days prior to the proposed Drawdown Date of any LIBOR Loan to be made to the Borrowers, or (iii) on a monthly basis with respect to Letters of Credit.

ss.2.7. Funds for Revolving Credit Loans.

(a) Not later than 1:00 p.m. (Boston time) on the proposed Drawdown Date of any Revolving Credit Loans, each of the Banks will make available to the Agent, at its Head Office, in immediately available funds, the amount of such Bank's Commitment Percentage of the amount of the requested Revolving Credit Loans. Upon receipt from each Bank of such amount, and upon receipt of the documents required by ss.ss.9 and 10 and the satisfaction of the other conditions set forth therein, to the extent applicable, the Agent will make available to the Borrowers the aggregate amount of such Revolving Credit Loans made available to the Agent by the Banks on the Drawdown Date. The failure or refusal of any Bank to make available to the Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Revolving Credit Loans shall not relieve any other Bank from its several obligation hereunder to make available to the Agent the amount of such other Bank's Commitment Percentage of any requested Revolving Credit Loans.

(b) The Agent may, unless notified to the contrary by any Bank prior to a Drawdown Date, assume that such Bank has made available to the Agent on such Drawdown Date the amount of such Bank's Commitment Percentage of the Revolving Credit Loans to be made on such Drawdown Date, and the Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrowers a corresponding amount. If any Bank makes available to the Agent such amount on a date after such Drawdown Date, such Bank shall pay to the Agent on demand an amount equal to the product of (i) the average computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Agent for federal funds acquired by the Agent during each day included in such period, times (ii) the amount of such Bank's Commitment Percentage of such Revolving Credit Loans, times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Drawdown Date to the date on which the amount of such Bank's Commitment Percentage of such Revolving Credit Loans shall become immediately available to the Agent, and the denominator of which is 365. A statement of the Agent submitted to such Bank with respect to any amounts owing under this paragraph shall be prima facie evidence, absent manifest error, of the amount due and owing to the Agent by such Bank. If the amount of such Bank's Commitment Percentage of such Revolving Credit Loans is not made available to the Agent by such Bank within three (3) Business Days following such Drawdown Date, the Agent shall be entitled to recover such amount from the Borrowers on demand, with interest thereon at the rate per annum applicable to the Revolving Credit Loans made on such Drawdown Date.

ss.2.8. Maturity of the Loans; Annual Option to Extend. The Total Commitment shall terminate and all Loans shall be due and payable on the Maturity Date; provided, however, that such Total Commitment and Maturity Date may be extended for successive annual periods up to a final Maturity Date of June 9, 2002, as provided in this ss.2.8 and at each Bank's sole discretion, upon the written request of the Borrowers. A written request, if any, for the extension of the Total Commitment and Maturity Date shall be given by the Borrowers to the Agent and the Banks not less than one-hundred twenty (120) days prior to the Extension Date. Except as expressly provided in this ss.2.8, no extension of the Total Commitment and then current Maturity Date pursuant to this ss.2.8 shall be effective unless all of the Banks shall have approved such

extension by written notice to the Agent. If on or prior to ninety (90) days prior to the applicable Extension Date, all of the Banks consent to such extension by written notice to the Agent, the Total Commitment and Maturity Date automatically shall be extended to that date which is one year later than the then current Maturity Date. If on or prior to ninety (90) days prior to the applicable Extension Date, any Bank (a "Declining Bank") shall have objected to such requested extension by written notice to the Agent or shall not have delivered written notice to the Agent consenting to such requested extension, then the Borrowers or the Agent may, no later than such Extension Date, replace each such Declining Bank if necessary so that, as of such Extension Date, the Total Commitment is not less than \$100,000,000. In no event shall the Maturity Date be extended beyond June 9, 2002; nor shall the Total Commitment of such extended facility be less than \$100,000,000.

ss.2.9. Mandatory Repayments of the Loans. If at any time the outstanding amount of the Loans plus the Maximum Drawing Amount of all outstanding Letters of Credit exceeds the Total Commitment, whether by reduction of the Total Commitment or otherwise, then the Borrowers shall immediately pay the amount of such excess to the Agent for application to the Loans, or if no Loans shall be outstanding, to be held by the Agent as collateral security for the Reimbursement Obligations, provided, however, that if the amount of cash collateral held by the Agent pursuant to this ss.2.9 exceeds the amount of the Obligations, the Agent shall return such excess to the Borrowers.

ss.2.10. Optional Prepayments or Repayments of Loans. Subject to ss.4.8, the Borrowers shall have the right, at their election, to repay or prepay the outstanding amount of the Loans, as a whole or in part, at any time without penalty or premium, provided that such repayments or prepayments shall be in a minimum amount of not less than \$5,000,000 and in integral multiples of \$500,000 above such amount. The Borrowers shall give the Agent, no later than 11:00 a.m. (Boston time) on the Business Day of such proposed prepayment or repayment, written notice (or telephonic notice confirmed in writing) of any proposed prepayment or repayment pursuant to this ss.2.10, specifying the proposed date of prepayment or repayment of Loans and the principal amount to be paid.

ss.2.11. Swing Line Loans; Settlements.

(a) Solely for ease of administration of the Loans, BKB may, but shall not be required to, fund Base Rate Loans made in accordance with the provisions of this Agreement in amounts less than \$5,000,000 ("Swing Line Loans") provided that the outstanding amount of Swing Line Loans advanced by BKB hereunder shall not exceed \$5,000,000 at any time. Each Bank shall remain severally and unconditionally liable to fund its Commitment Percentage of such Swing Line Loans on each Swing Line Settlement Date and, in the event BKB chooses not to fund all Base Rate Loans requested on any date, to fund its Commitment Percentage of the Base Rate Loans requested, subject to satisfaction of the provisions hereof relating to the making of Base Rate Loans. Prior to each Swing Line Settlement, all payments or repayments of the principal of, and interest on, Swing Line Loans shall be credited to the account of BKB.

(b) The Banks shall effect a Swing Line Settlement of each Swing Line Loan on (i) the Business Day immediately following any day on which the Agent gives notice of a Swing Line Settlement, (ii) the Business Day immediately following the Agent's becoming aware of the existence of any Default or Event of Default, (iii) the Maturity Date, and (iv) the Business Day immediately following any day on which the outstanding amount of Swing Line Loans advanced by BKB exceeds \$5,000,000 (each such date, a "Swing Line Settlement Date"). One (1) Business Day prior to each such Swing Line Settlement Date, the Agent shall give telephonic notice to the Banks of (A) the respective outstanding amount of Loans made by each Bank as at the close of business on the prior day, (B) the amount that any Bank, as applicable (a "Swing Line Settling Bank"), shall pay to effect a Swing Line Settlement (a "Swing Line Settlement Amount") and (C) the portion (if any) of the aggregate Swing Line Settlement Amount to be paid to each Bank. A statement of the Agent submitted to the Banks with respect to any amounts owing hereunder shall be prima facie evidence of the amount due and owing. Each Swing Line Settling Bank shall, not later than 1:00 p.m. (Boston time) on each Swing Line Settlement Date, effect a wire transfer of immediately available funds to the Agent at its Head Office in the amount of such Bank's Swing Line Settlement Amount. The Agent shall, as promptly as practicable during normal business hours on each Swing Line Settlement Date, effect a wire transfer of immediately available funds to each Bank of the Swing Line Settlement Amount to be paid to such Bank. All funds advanced by any Bank as a Swing Line Settling Bank pursuant to this ss.2.11(b) shall for all purposes be treated as a Base Rate Loan made by such Swing Line Settling Bank to the Borrowers, and all funds received by any Bank pursuant to this ss.2.11(b) shall for all purposes be treated as repayment of amounts owed by the Borrowers with respect to Base Rate Loans made by such Bank. In the event that any Bankruptcy Event prevents a Swing Line Settling Bank from making any Swing Line Settlement as contemplated hereby, such Swing Line Settling Bank will make such dispositions and arrangements, either by way of purchase of participations, distribution, pro tanto assignment of claims, subrogation or otherwise as shall result in each Bank's share of the outstanding Revolving Credit Loans being equal, as nearly as may be, to such Bank's Commitment Percentage of the outstanding amount of the Revolving Credit Loans.

(c) The Agent may (unless notified to the contrary by any Swing Line Settling Bank by 12:00 noon (Boston time) one (1) Business Day prior to the Settlement Date) assume that each Swing Line Settling Bank has made available (or will make available by the time specified in ss.2.11(b)) to the Agent its Swing Line Settlement Amount, and the Agent may (but shall not be required to), in reliance upon such

assumption, make available to each applicable Bank its share (if any) of the aggregate Swing Line Settlement Amount. If the Swing Line Settlement Amount of such Swing Line Settling Bank is made available to the Agent by such Swing Line Settling Bank on a date after such Swing Line Settlement Date, such Swing Line Settling Bank shall pay the Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average annual interest rate paid by the Agent for federal funds acquired by the Agent during each day included in such period times (ii) such Swing Line Settlement Amount times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Swing Line Settlement Date to but not including the date on which such Swing Line Settlement Amount shall become immediately available to the Agent, and the denominator of which is 365. Upon payment of such amount such Swing Line Settling Bank shall be deemed to have delivered its Swing Line Settlement Amount on the Swing Line Settlement Date and shall become entitled to interest payable by the Borrowers with respect to such Swing Line Settling Bank's Swing Line Settlement Amount as if such share were delivered on the Swing Line Settlement Date. If such Swing Line Settlement Amount is not in fact made available to the Agent by such Swing Line Settling Bank within three (3) Business Days of such Swing Line Settlement Date, the Agent shall be entitled to recover such amount from the Borrowers, with interest thereon at the Base Rate.

(d) After any Swing Line Settlement Date, any payment by the Borrowers of Swing Line Loans hereunder shall be allocated among the Banks, in amounts determined so as to provide that after such application and the related Swing Line Settlement, the outstanding amount of Loans of each Bank equals, as nearly as practicable, such Bank's Commitment Percentage of the aggregate amount of Loans.

ss.3. LETTERS OF CREDIT.

ss.3.1. Letter of Credit Commitments.

(a) Subject to the terms and conditions hereof and the execution and receipt of a Loan and Letter of Credit Request reflecting the Maximum Drawing Amount of all Letters of Credit (including the requested Letter of Credit) and a Letter of Credit Application, the Agent, on behalf of the Banks and in reliance upon the agreement of the Banks set forth in ss.3.1(b) and upon the representations and warranties of the Borrowers contained herein, subject to the provisions of ss.ss.2.6 and 19.2 hereof, agrees to issue, extend and renew for the account of the Borrowers one or more standby or documentary letters of credit (individually, a "Letter of Credit"), in such form as may be requested from time to time by the Borrowers and agreed to by the Agent; provided, however, that, after giving effect to such request, the aggregate Maximum Drawing Amount of all Letters of Credit issued at any time under this ss.3.1(a) shall not exceed \$10,000,000, and no Letter of Credit shall have an expiration date later than the earlier of (i) one (1) year after the date of issuance of the Letter of Credit (which may incorporate automatic renewals for periods of up to one (1) year, provided that the Agent may, upon 30 days' notice to the beneficiary, cancel such Letter of Credit which has been renewed beyond its initial one (1) year term), or (ii) thirty (30) days prior to the Maturity Date.

(b) Each Bank severally agrees that it shall be absolutely liable, without regard to the occurrence of any Default or Event of Default or any other condition precedent whatsoever, to the extent of such Bank's Commitment Percentage thereof, to reimburse the Agent on demand for the amount of each draft paid by the Agent under each Letter of Credit to the extent that such amount is not reimbursed by the Borrowers pursuant to ss.3.2 (such agreement for a Bank being called herein the "Letter of Credit Participation" of such Bank).

(c) Each such payment made by a Bank shall be treated as the purchase by such Bank of a participating interest in the Borrowers' Reimbursement Obligation under ss.3.2 in an amount equal to such payment. Each Bank shall share in accordance with its participating interest in any interest which accrues pursuant to ss.3.2.

ss.3.2. Reimbursement Obligation of the Borrowers. In order to induce the Agent to issue, extend and renew each Letter of Credit and the Banks to participate therein, the Borrowers hereby agree to reimburse or pay to the Agent with respect to each Letter of Credit issued, extended or renewed by the Agent hereunder as follows:

(a) on each date that any draft presented under any Letter of Credit is honored by the Agent or the Agent otherwise makes payment with respect thereto, (i) the amount paid by the Agent under or with respect to such Letter of Credit, and (ii) the amount of any taxes, fees, charges or other costs and expenses whatsoever incurred by the Agent or any Bank in connection with any payment made by the Agent or any Bank under, or with respect to, such Letter of Credit, provided, however, that if the Borrowers do not reimburse the Agent on the date the Agent makes payment with respect to such Letter of Credit, such amount shall, provided that a Bankruptcy Event has not occurred, become automatically a Revolving Credit Loan which is a Base Rate Loan; and

(b) upon the Maturity Date or the acceleration of the Reimbursement Obligations with respect to all Letters of Credit in accordance with ss.12, an amount equal to the then Maximum Drawing Amount of all Letters of Credit and any unpaid Reimbursement Obligations, which amount shall be held by the Agent for the benefit of the Banks and the Agent as cash collateral for all Reimbursement Obligations, provided, however, that if the amount of cash collateral held by the Agent pursuant to this ss.3.2 exceeds the amount of the

Obligations, the Agent shall return such excess to the Borrowers.

ss.3.3. Obligations Absolute. The Borrowers' obligations under this ss.3 shall be absolute and unconditional under any and all circumstances and irrespective of the occurrence of any Default or Event of Default or any condition precedent whatsoever or any setoff, counterclaim or defense to payment which the Borrowers may have or have had against the Agent, any Bank or any beneficiary of a Letter of Credit. The Borrowers further agree with the Agent and the Banks that the Agent and the Banks shall not be responsible for, and the Borrowers' Reimbursement Obligations under ss.3.2 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Borrowers, the beneficiary of any Letter of Credit or any financing institution or other party to which any Letter of Credit may be transferred or any claims or defenses whatsoever of the Borrowers against the beneficiary of any Letter of Credit or any such transferee. The Agent and the Banks shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. The Borrowers agree that any action taken or omitted by the Agent or any Bank under or in connection with each Letter of Credit and the related drafts and documents, if done in good faith, shall be binding upon the Borrowers and shall not result in any liability on the part of the Agent or any Bank to the Borrowers.

ss.3.4. Reliance by Agent. To the extent not inconsistent with ss.3.4, the Agent shall be entitled to rely, and shall be fully protected in relying upon, any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel, independent accountants and other experts selected by the Agent.

ss.4. FEES, PAYMENTS, AND COMPUTATIONS; JOINT AND SEVERAL LIABILITY.

ss.4.1. Fees.

(a) Commitment Fee. The Borrowers agree to pay to the Agent, for the accounts of the Banks, a fee (the "Commitment Fee") equal to the Applicable Commitment Rate multiplied by the amount of the unused portion of the Total Commitment during each calendar quarter or portion thereof from the date hereof to the Maturity Date (or to the date of termination in full of the Total Commitment, if earlier). The Commitment Fee shall be payable quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter commencing on July 1, 1997, with a final payment on the Maturity Date.

(b) Letter of Credit Fees. The Borrowers shall pay in advance on the date of issuance of each Letter of Credit an issuance fee to the Agent for its account equal to one eighth of one percent (1/8%) per annum on the Maximum Drawing Amount of each Letter of Credit (the "Issuance Fee"). The Borrowers shall also pay quarterly in advance on the first Business Day of each fiscal quarter a fee to the Agent equal to the Applicable L/C Margin multiplied by the Maximum Drawing Amount of all outstanding Letters of Credit (the "Letter of Credit Fee"), which fee shall be for the accounts of the Banks in accordance with their respective Commitment Percentages. In addition to the Issuance Fee and the Letter of Credit Fee, the Borrowers shall pay to the Agent, for its own account, all related customary administrative fees in accordance with customary practice.

ss.4.2. Payments.

(a) All payments of principal, interest, Reimbursement Obligations, fees and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Agent, for the respective accounts of the Banks and the Agent, to be received at the Agent's Head Office in immediately available funds by 12:00 p.m. (Boston time) on any due date. If a payment (other than with respect to Swing Line Loans) is received by the Agent at or before 12:00 p.m. (Boston time) on any Business Day, the Agent shall on the same Business Day transfer in immediately available funds to each of the Banks their pro rata portion of such payment in accordance with their respective Commitment Percentages. If such payment is received by the Agent after 12:00 p.m. (Boston time) on any Business Day, such transfer shall be made by the Agent to the applicable Bank(s) on the next Business Day. In the event that the Agent fails to make such transfer to any Bank as set forth above, the Agent shall pay to such Bank on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by such Bank for funds acquired by such Bank during each day included in such period, times (ii) the amount equal to such Bank's Commitment Percentage of such payment, times (iii) a fraction, the numerator of which is the number of days that elapse from and including the date of payment to and including the date on which the amount due to such Bank shall become immediately available to such Bank, and the denominator of which is 365.

(b) All payments by the Borrowers hereunder and under any of the other Loan Documents shall be made without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory loans, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless the Borrowers are compelled by law to make such deduction or withholding. If any such obligation is imposed upon the Borrowers with respect to any amount

payable by them hereunder or under any of the other Loan Documents, the Borrowers will pay to the Agent, for the account of the Banks or (as the case may be) the Agent, on the date on which such amount is due and payable hereunder or under such other Loan Document, such additional amount in Dollars as shall be necessary to enable the Banks or the Agent to receive the same net amount which the Banks or the Agent would have received on such due date had no such obligation been imposed upon the Borrowers, provided however that the foregoing obligation to pay such additional amounts shall not apply:

(i) to any payment to a Bank if such Bank is not, on the date hereof (or on the date it becomes a Bank under this Agreement) and on the date of any change in the lending office of such Bank identified after its execution, entitled by virtue of its status as a non-resident alien to submit either a Form 1001 (relating to such Bank and entitling it to a complete exemption from withholding on all interest to be received by it hereunder in respect of the Revolving Credit Loans) or Form 4224 (relating to all interest to be received by such Bank hereunder in respect of Revolving Credit Loans) of the U.S. Department of Treasury, or

(ii) to any item referred to in the preceding sentence that would not have been imposed but for the failure by such Bank to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections of such Bank with the United States if such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such item.

The Borrowers will deliver promptly to the Agent certificates or other valid vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrowers hereunder or under such other Loan Document.

ss.4.3. Computations. All computations of interest on Base Rate Loans and of Commitment Fees, Letter of Credit Fees or other fees shall, unless otherwise expressly provided herein, be based on a 365-day year (or 366-day year, as applicable) and paid for the actual number of days elapsed. All computations of interest on LIBOR Loans shall, unless otherwise expressly provided herein, be based on a 360-day year and paid for the actual number of days elapsed. Whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day or LIBOR Business Day (as applicable), the due date for such payment shall be extended to the next succeeding Business Day or LIBOR Business Day (as applicable), and interest shall accrue during such extension; provided that, for any Interest Period for any LIBOR Loan, if such next succeeding LIBOR Business Day falls in the next succeeding calendar month or after the Maturity Date, it shall be deemed to end on the preceding LIBOR Business Day.

ss.4.4. Additional Costs, Etc. If, after the date hereof, any change in present applicable law or adoption of any applicable law after the date hereof (including, in either case, without limitation, statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Bank by any central bank or other fiscal, monetary or other authority, whether or not having the force of law) shall:

(a) subject such Bank to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, such Bank's Commitment, or the Loans (other than taxes based upon or measured by the income or profits of such Bank or any franchise tax imposed by the jurisdiction of its incorporation or organization, or the location of its lending office, hereinafter referred to as "Income Taxes"); or

(b) materially change the basis of taxation (except for changes in Income Taxes) of payments to such Bank of the principal or of the interest on any Loans or any other amounts payable to such Bank under this Agreement or the other Loan Documents; or

(c) except as provided in ss.4.5 or as otherwise reflected in the Base Rate or the LIBOR Rate, impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of, an office of any Bank with respect to this Agreement, the other Loan Documents, the Commitment, or the Loans; or

(d) impose on such Bank any other conditions or requirements with respect to this Agreement, the other Loan Documents, the Loans, such Bank's Commitment, or any class of loans or commitments of which any of the Loans or such Bank's Commitment forms a part, and the result of any of the foregoing is

(i) to increase the cost to such Bank of making, funding, issuing, renewing, extending or maintaining the Loans or such Bank's Commitment, or issuing or participating in Letters of Credit;

(ii) to reduce the amount of principal, interest or other amount payable to such Bank hereunder on account of such Bank's Commitment or the Loans;

(iii) to require such Bank to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank from the Borrower hereunder,

then, and in each such case, the Borrowers will, upon demand made by such Bank at any time and from time to time as often as the occasion therefore may arise (such demand shall be accompanied by a statement setting forth the basis of such demand), pay such reasonable additional amounts as will be sufficient to compensate such Bank for such additional costs, reduction, payment or foregone interest or other sum.

ss.4.5. Capital Adequacy. If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any such law, rule, or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or any corporation controlling such Bank) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or any corporation controlling such Bank) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within thirty (30) days after demand by such Bank (which demand shall be accompanied by a statement setting forth the basis of such demand), the Borrower shall pay to such Bank such additional amount or amounts as will, in such Bank's reasonable determination, fairly compensate such Bank (or any corporation controlling such Bank) for such reduction.

ss.4.6. Certificate.

A certificate setting forth any additional amounts payable pursuant to ss.ss.4.4 or 4.5 and a reasonable explanation of such amounts which are due, submitted by any Bank or the Agent to the Borrowers, shall be prima facie correct and binding, absent manifest error.

ss.4.7. Reasonable Efforts to Mitigate. Each Bank agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under ss.ss.4.4, 4.5 or 4.11, such Bank will give notice thereof to the Borrower, with a copy to the Agent, and, to the extent so requested by the Borrower and not inconsistent with such Bank's internal policies, such Bank shall use reasonable efforts and take such actions as are reasonably appropriate if as a result thereof the additional moneys which would otherwise be required to be paid to such Bank pursuant to such subsections would be materially reduced, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such sections would cease to exist, and in each case if, as determined by such Bank in its sole discretion, the taking such actions would not adversely affect such Loans or such Bank or otherwise be disadvantageous to such Bank. To the extent practicable and applicable, each Bank shall allocate such cost increases among its customers in good faith and on an equitable basis.

ss.4.8. LIBOR Indemnity. The Borrowers agree to indemnify the Banks and the Agent and to hold them harmless from and against any loss, cost or expenses (including loss of anticipated profits) that the Banks and the Agent may sustain or incur as a consequence of (a) default by the Borrowers in payment of the principal amount of or any interest on any LIBOR Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by any Bank or the Agent to lenders of funds obtained by it in order to maintain its LIBOR Loans, or (b) default by the Borrowers in making a borrowing or conversion after the Borrowers have given (or are deemed to have given) notice pursuant to ss.2.5 or ss.2.6, the making of any payment of a LIBOR Loan or the making of any conversion of any such LIBOR Loan to a Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto, including interest or fees payable by any Bank to lenders of funds obtained by it in order to maintain any such LIBOR Loans. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by each Bank of (i) its cost of obtaining the funds for the LIBOR Loan being paid, prepaid, converted, not converted, or not borrowed, as the case may be (based on the LIBOR Rate) for the period from the date of such payment, prepayment, conversion, or failure to borrow or convert, as the case may be, to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in re-employing the funds so paid, prepaid, converted, or not borrowed, converted, or prepaid for such period or Interest Period, as the case may be, which determinations shall be prima facie correct and binding, absent manifest error.

ss.4.9. Interest on Overdue Amounts. Overdue principal and (to the extent permitted by applicable law) interest on the Loans and all other overdue amounts payable hereunder or under any of the other Loan Documents shall bear interest compounded monthly and payable on demand at a rate per annum equal to the Base Rate plus two (2) percent until such amount shall be paid in full (after, as well as before, judgment).

ss.4.10. Interest Limitation. Notwithstanding any other term of this Agreement or any Note or any other document referred to herein or therein, the maximum amount of interest which may be charged to or collected from any person liable hereunder or under any Note by any Bank shall be absolutely limited to,

and shall in no event exceed, the maximum amount of interest which could lawfully be charged or collected under applicable law (including, to the extent applicable, the provisions of Section 5197 of the Revised Statutes of the United States of America, as amended, 12 U.S.C. Section 85, as amended), so that the maximum of all amounts constituting interest under applicable law, howsoever computed, shall never exceed as to any Person liable therefor such lawful maximum, and any term of this Agreement, the Notes, the Letter of Credit Applications, or any other document referred to herein or therein which could be construed as providing for interest in excess of such lawful maximum shall be and hereby is made expressly subject to and modified by the provisions of this paragraph, and in the event any amount in excess of the lawful maximum is charged or collected by the Agent or the Banks or paid by the Borrowers, the Borrowers shall be entitled to the reimbursement of such excess together with interest thereon at the highest lawful rate at the time of such overcharge.

ss.4.11. Illegality; Inability to Determine LIBOR Rate. Notwithstanding any other provision of this Agreement, if (a) the introduction of, any change in, or any change in the interpretation of, any law or regulation applicable to the Agent or any Bank shall make it unlawful, or any central bank or other governmental authority having jurisdiction thereof shall assert that it is unlawful, for any Bank or the Agent to perform its obligations in respect of any LIBOR Loans, or (b) if the Banks or the Agent shall reasonably determine with respect to LIBOR Loans that (i) by reason of circumstances affecting any LIBOR interbank market, adequate and reasonable methods do not exist for ascertaining the LIBOR Rate which would otherwise be applicable during any Interest Period, or (ii) deposits of Dollars in the relevant amount for the relevant Interest Period are not available to the Banks or the Agent in any LIBOR interbank market, or (iii) the LIBOR Rate does not or will not accurately reflect the cost to the Banks or the Agent of obtaining or maintaining the applicable LIBOR Loans during any Interest Period, then the Banks or the Agent shall promptly give telephonic, telex or cable notice of such determination to the Borrowers (which notice shall be conclusive and binding upon the Borrowers). Upon such notification by the Banks or the Agent, the obligation of the Banks or the Agent to make LIBOR Loans shall be suspended until the Banks or the Agent determine that such circumstances no longer exist, and the outstanding LIBOR Loans shall continue to bear interest at the applicable rate based on the LIBOR Rate until the end of the applicable Interest Period, and thereafter shall be deemed converted to Base Rate Loans in equal principal amounts.

ss.4.12. Concerning Joint and Several Liability of the Borrowers.

(a) Each of the Borrowers is accepting joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Banks under this Agreement, for the mutual benefit, directly and indirectly, of each of the Borrowers and in consideration of the undertakings of each other Borrower to accept joint and several liability for the Obligations.

(b) Each of the Borrowers, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers with respect to the payment and performance of all of the Obligations (including, without limitation, any Obligations arising under this ss.4.12), it being the intention of the parties hereto that all of the Obligations shall be the joint and several Obligations of each of the Borrowers without preferences or distinction among them.

(c) If and to the extent that any of the Borrowers shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation.

(d) The Obligations of each of the Borrowers under the provisions of this ss.4.12 constitute full recourse Obligations of each of the Borrowers enforceable against each such corporation to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstance whatsoever.

(e) Except as otherwise expressly provided in this Agreement, each of the Borrowers hereby waives notice of acceptance of its joint and several liability, notice of any Loans made under this Agreement, notice of any action at any time taken or omitted by the Banks under or in respect of any of the Obligations, and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement. Each of the Borrowers hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Banks at any time or times in respect of any default by any of the Borrowers in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by the Banks in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any of the Borrowers. Without limiting the generality of the foregoing, each of the Borrowers assents to any other action or delay in acting or failure to act on the part of the Banks with respect to the failure by any of the Borrowers to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this ss.4.12, afford grounds for terminating, discharging or relieving any of the Borrowers, in whole or in part, from any of its Obligations under this ss.4.12, it being the intention of each of the

Borrowers that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of such Borrowers under this ss.4.12 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each of the Borrowers under this ss.4.12 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, re-construction or similar proceeding with respect to any of the Borrowers or the Banks. The joint and several liability of the Borrowers hereunder shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of any of the Borrowers or the Banks.

(f) The provisions of this ss.4.12 are made for the benefit of the Banks and their successors and assigns, and may be enforced in good faith by them from time to time against any or all of the Borrowers as often as the occasion therefor may arise and without requirement on the part of the Banks first to marshal any of their claims or to exercise any of their rights against any other Borrower or to exhaust any remedies available to them against any other Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this ss.4.12 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by the Banks upon the insolvency, bankruptcy or reorganization of any of the Borrowers, or otherwise, the provisions of this ss.4.12 will forthwith be reinstated in effect, as though such payment had not been made.

ss.4.13. New Borrowers. Any existing or newly-created or acquired U.S. Subsidiary of the Parent (other than members of the MasTec International Group), which (a) has annual gross revenues of at least \$1,000,000 on an historical or annualized basis, or (b) is the parent of any other Borrower, shall be Borrowers hereunder, and all other U.S. Subsidiaries of the Parent designated as such by the Parent shall be Excluded Subsidiaries, provided that the Excluded Subsidiaries may not, in the aggregate, have in excess of five percent (5%) of consolidated total assets, consolidated total liabilities or consolidated gross revenues of the Parent and its U.S. Subsidiaries (other than members of the MasTec International Group) at any time, in each case as determined in accordance with GAAP. Any Subsidiary which is required to become a Borrower pursuant to the terms of this ss.4.13 shall sign Notes, shall enter into an amendment to this Agreement and the U.S. Stock Pledge Agreement with the other parties hereto providing that such Subsidiary shall become a Borrower hereunder, and shall provide such other documentation as the Agent may reasonably request, including, without limitation, documentation with respect to conditions specified in ss.9 hereof. In such event, the Agent is hereby authorized by the parties to amend Schedule 1 hereto to include such Subsidiary as a Borrower hereunder. The Borrowers hereby agree to pledge all of their stock of the U.S. Subsidiaries (including members of the MasTec International Group which are U.S. Subsidiaries), other than the stock of Excluded Subsidiaries, to the Agent for the benefit of the Banks pursuant to the terms of the U.S. Stock Pledge Agreement.

ss.4.14. Replacement of Banks.

If any Bank (an "Affected Bank") (i) makes demand upon the Borrowers for (or if Borrowers are otherwise required to pay) amounts pursuant to ss.ss.4.2(b), 4.4 or 4.5, (ii) is unable to make or maintain LIBOR Loans as a result of a condition described in ss.4.11, or (iii) defaults in its obligation to make Loans or participate in Letters of Credit in accordance with the terms of this Agreement, the Borrowers or the Agent may, within 90 days of receipt of such demand, notice (or the occurrence of such other event causing the Borrowers to be required to pay such compensation or causing ss.4.11 to be applicable) or default, as the case may be, by notice (a "Replacement Notice") in writing to such Affected Bank and the Agent or Borrowers, as applicable, (A) request the Affected Bank to cooperate with the Borrowers in obtaining a replacement bank satisfactory to the Agent and the Borrowers (the "Replacement Bank"); (B) request the non-Affected Banks to acquire and assume all of the Affected Bank's Loans and Commitment and participate in Letters of Credit as provided herein, but none of such Banks shall be under an obligation to do so; or (C) designate a Replacement Bank reasonably satisfactory to the Agent or Borrowers, as applicable. If any satisfactory Replacement Bank shall be obtained, and/or any of the non-Affected Banks shall agree to acquire and assume all of the Affected Bank's Loans and Commitment and participate in Letters of Credit, then such Affected Bank shall, so long as no Event of Default shall have occurred and be continuing, assign, in accordance with ss.17, all of its Commitment, Loans, Notes and other rights and obligations under this Agreement and all other Loan Documents to such Replacement Bank or non-Affected Banks, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Bank; provided, however, that (i) such assignment shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Bank and such Replacement Bank and/or non-Affected Banks, as the case may be, and (ii) prior to any such assignment, the Borrowers shall have paid to such Affected Bank all amounts properly demanded and unreimbursed under ss.ss.4.2(b), 4.4, 4.5 or 4.8. Upon the effective date of such assignment the Borrowers shall issue replacement Notes to such Replacement Bank and/or non-Affected Banks, as the case may be, and such Replacement Bank shall become a "Bank" for all purposes under this Agreement and the other Loan Documents.

ss.5. REPRESENTATIONS AND WARRANTIES. The Borrowers jointly and severally represent and warrant to the Banks that on and as of the date of this Agreement (any disclosure on a schedule pursuant to this ss.5 shall be deemed to apply to all relevant representations and warranties, regardless of whether such schedule is referenced in each relevant representation):

ss.5.1. Corporate Authority.

(a) Incorporation; Good Standing. Each of the Borrowers and the International Signatories (i) is a corporation duly organized, validly existing and in good standing or in current status under the laws of its respective jurisdiction of incorporation, (ii) has all requisite corporate power to own its property and conduct its business as now conducted and as presently contemplated, and (iii) is in good standing as a foreign corporation and is duly authorized to do business in each jurisdiction in which its property or business as presently conducted or contemplated makes such qualification necessary except where a failure to be so qualified would not have a material adverse effect on the business, assets or financial condition of the Borrowers, taken as a whole, or the MasTec International Group, taken as a whole.

(b) Authorization. The execution, delivery and performance of its Loan Documents and the transactions contemplated hereby and thereby (i) are within the corporate authority of each of the Borrowers and the International Signatories, (ii) have been duly authorized by all necessary corporate proceedings, (iii) do not conflict with or result in any material breach or contravention of any provision of law, statute, rule or regulation to which any Borrower or International Signatory is subject or any judgment, order, writ, injunction, license or permit applicable to any Borrower or International Signatory so as to have a material adverse effect on the assets, business or any activity of such Borrower or International Signatory, (iv) do not conflict with any provision of the corporate charter or bylaws of any Borrower or International Signatory, (v) do not conflict with any material contract, agreement or other instrument binding upon any Borrower or International Signatory, and (vi) will not create a lien on any properties of any of the Borrowers or International Signatories other than pursuant to the Loan Documents.

(c) Enforceability. The execution, delivery and performance of the Loan Documents will result in valid and legally binding obligations of the Borrowers and the International Signatories, enforceable against each of them in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

ss.5.2. Governmental Approvals. The execution, delivery and performance by the Borrowers and the International Signatories of the Loan Documents and the transactions contemplated hereby and thereby do not require any approval or consent of, or filing with, any governmental agency or authority other than those already obtained; provided, however, that the International Signatories shall have ninety (90) days after the date hereof to effect this provision.

ss.5.3. Title to Properties; Leases. Each of the Parent and its Subsidiaries owns all of its respective assets reflected in the consolidated balance sheet of the Parent as at the Interim Balance Sheet Date or acquired since that date (except property and assets sold or otherwise disposed of in the ordinary course of business since that date), subject to no mortgages, capitalized leases, conditional sales agreements, title retention agreements, liens or other encumbrances except Permitted Liens.

ss.5.4. Financial Statements; Solvency.

(a) There has been furnished to the Banks (i) unaudited consolidated financial statements of the Parent dated the Balance Sheet Date, including reconciliations of (A) the Borrowers and the MasTec International Group (excluding that portion of assets, liabilities, income and expenses attributable to the Sintel Group) and (B) the Sintel Group to the consolidated financial statements of the Parent, and (ii) an unaudited consolidated balance sheet and statement of income of the Parent dated the Interim Balance Sheet Date, including reconciliations of (A) the Borrowers (excluding that portion of assets, liabilities, income and expenses of the Parent attributable to non-Borrowers) and (B) the non-Borrowers to the consolidated balance sheet and statement of income of the Parent. Said financial statements have been prepared in accordance with GAAP (but only to the extent that GAAP is applicable to unaudited reports), fairly present in all material respects the financial condition of the Borrowers, on a consolidated basis, as at the close of business on the dates thereof and the results of operations for the period then ended. There are no contingent liabilities of the Borrowers as of such date involving material amounts known to the officers of the Borrowers which have not been disclosed in said balance sheets and the related notes thereto, as the case may be.

(b) The Parent (both before and after giving effect to the transactions contemplated by this Agreement) is solvent (i.e., it has assets having a fair value in excess of the amount required to pay its probable liabilities on its existing debts as they become absolute and matured) and has, and expects to have, the ability to pay its debts from time to time incurred in connection therewith as such debts mature.

(c) The Borrowers taken as a whole (both before and after giving effect to the transactions contemplated by this Agreement) are solvent (i.e., they have assets having a fair value in excess of the amount required to pay their probable liabilities on their existing debts as they become absolute and matured) and have, and expect to have, the ability to pay their debts from time to time incurred in

connection therewith as such debts mature.

ss.5.5. No Material Changes, Etc. Since the Balance Sheet Date, there have occurred no material adverse changes in the financial condition or business of the Borrowers as shown on or reflected in the consolidated balance sheet of the Parent as at the Balance Sheet Date, or the consolidated statement of income for the fiscal year then ended other than changes occurring in the ordinary course of business that in the aggregate have not had a material adverse effect on the business or financial condition of the Borrowers taken as a whole. Since the Balance Sheet Date, no Borrower has made any Distribution other than to the Parent.

ss.5.6. Permits, Franchises, Patents, Copyrights, Etc. Each of the Borrowers possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted without known conflict with any rights of others.

ss.5.7. Litigation. Except as shown on Schedule 5.7 hereto, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Borrowers, threatened against any Borrower before any court, tribunal or administrative agency or board which, if adversely determined, might, either in any case or in the aggregate, have a material adverse effect on the properties, assets, financial condition or business of the Borrowers, considered as a whole, or materially impair the right of the Borrowers, considered as a whole, to carry on business substantially as now conducted, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained on the consolidated balance sheet or which question the validity of any of the Loan Documents or any action taken or to be taken pursuant hereto or thereto.

ss.5.8. No Materially Adverse Contracts, Etc. None of the Borrowers is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Borrowers' officers has or is expected in the future to have a material adverse effect on the business, assets or financial condition of the Borrowers taken as a whole. None of the Borrowers is a party to any contract or agreement which in the judgment of the Borrowers' officers has or is expected to have any material adverse effect on the business of the Borrowers taken as a whole, except as otherwise reflected in adequate reserves.

ss.5.9. Compliance With Other Instruments, Laws, Etc. None of the Borrowers or the International Signatories is violating any provision of its charter documents or by-laws or any agreement or instrument by which any of them may be subject or by which any of them or any of their properties may be bound or any decree, order, judgment, or any statute, license, rule or regulation, in a manner which could in the aggregate result in the imposition of substantial penalties or a material adverse effect on the financial condition, properties or business of the Borrowers taken as a whole, or would impair the ability of any Borrower or International Signatory to enter into or perform the Loan Documents.

ss.5.10. Tax Status. The Borrowers have made or filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which any of them is subject (unless and only to the extent that any Borrower has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes); and have paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith; and have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. Except as set forth on Schedule 5.10, there are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Borrowers know of no basis for any such claim.

ss.5.11. No Event of Default. No Default or Event of Default has occurred and is continuing as of the date of this Agreement.

ss.5.12. Holding Company and Investment Company Acts. None of the Borrowers is a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company," as such terms are defined in the Public Utility Holding Company Act of 1935; nor is any of them a "registered investment company," or an "affiliated company" or a "principal underwriter" of a "registered investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

ss.5.13. Absence of Financing Statements, Etc. Except with respect to Permitted Liens, there is no financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry, or other public office, which purports to cover, affect or give notice of any present or possible future lien on, or security interest in, any assets or property of any of the Borrowers or rights thereunder.

ss.5.14. Employee Benefit Plans.

(a) In General. Each Employee Benefit Plan and each Guaranteed Pension Plan has been maintained and operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions and the bonding of fiduciaries and other persons handling plan funds as required by ss.412 of ERISA. The Borrowers have heretofore delivered to the Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under ss.103(d) of ERISA, with respect to each Guaranteed Pension Plan.

(b) Terminability of Welfare Plans. Except as set forth on

Schedule 5.14(b), no Employee Benefit Plan which is an employee welfare benefit plan within the meaning of ss.3(1) or ss.3(2)(B) of ERISA, provides benefit coverage subsequent to termination of employment except as required by Title I, Part 6 of ERISA or applicable state insurance laws. Any Borrower may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of such Borrower without liability to any Person other than for claims arising prior to termination.

(c) Guaranteed Pension Plans. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of ss.302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan, and neither any of the Borrowers nor any ERISA Affiliate is obligated to or has posted security in connection with an amendment of a Guaranteed Pension Plan pursuant to ss.307 of ERISA or ss.401(a)(29) of the Code. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by any Borrower or any ERISA Affiliate with respect to any Guaranteed Pension Plan and there has not been any ERISA Reportable Event, or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within twelve months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of ss.4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities.

(d) Multiemployer Plans. None of the Borrowers nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under ss.4201 of ERISA or as a result of a sale of assets described in ss.4204 of ERISA. None of the Borrowers nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or is insolvent under and within the meaning of ss.4241 or ss.4245 of ERISA or is at risk of entering reorganization or becoming insolvent, or that any Multiemployer Plan intends to terminate or has been terminated under ss.4041A of ERISA.

ss.5.15. Use of Proceeds. The proceeds of the Loans shall be used as follows: (a) for general corporate purposes; (b) to repay the existing indebtedness of the Borrowers; (c) for Investments permitted pursuant to ss.7.3 hereof, and (d) for acquisitions permitted pursuant to ss.7.4 hereof. No proceeds of the Loans shall be used in any way that will violate Regulations G, T, U or X of the Board of Governors of the Federal Reserve System.

ss.5.16. Environmental Compliance. Except as shown on Schedule 5.16:

(a) None of the Borrowers, nor any operator of their properties, is in violation, or alleged violation, of any judgment, decree, order, law, permit, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under RCRA, CERCLA, the Superfund Amendments and Reauthorization Act of 1986, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any state or local statute, regulation, ordinance, order or decree relating to health, safety or the environment (the "Environmental Laws"), which violation would have a material adverse effect on the business, assets or financial condition of the Borrowers on a consolidated basis.

(b) None of the Borrowers has received notice from any third party, including, without limitation, any federal, state or local governmental authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B; (ii) that any hazardous waste, as defined by 42 U.S.C. ss.6903(5), any hazardous substances as defined by 42 U.S.C. ss.9601(14), any pollutant or contaminant as defined by 42 U.S.C. ss.9601(33) or any toxic substance, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") which any one of them has generated, transported or disposed of has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that any Borrower conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, legal or administrative proceeding arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Substances.

(c) (i) No portion of the Real Property has been used for the handling, processing, storage or disposal of Hazardous Substances except in material compliance with applicable Environmental Laws; (ii) in the course of any activities conducted by the Borrowers, or

operators of the Real Property, no Hazardous Substances have been generated or are being used on such properties except in material compliance with applicable Environmental Laws; (iii) there have been no unpermitted Releases or threatened Releases of Hazardous Substances on, upon, into or from the Real Property, which Releases would have a material adverse effect on the value of such properties; (iv) to the best of the Borrowers' knowledge, there have been no Releases on, upon, from or into any real property in the vicinity of the Real Property which, through soil or groundwater contamination, may have come to be located on, and which would have a material adverse effect on the value of, such properties; and (v) in addition, any Hazardous Substances that have been generated on the Real Property have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws, which transporters and facilities, to the best of the Borrowers' knowledge, have been and are operating in material compliance with such permits and applicable Environmental Laws.

(d) None of the Real Property is or shall be subject to any applicable environmental clean-up responsibility law or environmental restrictive transfer law or regulation, by virtue of the transactions set forth herein and contemplated hereby.

ss.5.17. Perfection of Security Interests. Except as set forth on Schedule 5.17, the Collateral and the Agent's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses. The Borrowers and MasTec International, Inc. are the owners of the Collateral free from any lien, security interest, encumbrance and any other claim or demand, other than liens in favor of the Agent for the benefit of the Banks to secure the Obligations. The Stock Pledge Agreements are effective to create in favor of the Agent, for the benefit of the Banks, a legal, valid and enforceable first priority security interest in the Collateral. The certificates for the shares of such Collateral have been delivered to the Agent; provided, however, that MasTec International, Inc. shall have ninety (90) days after the Closing Date to effect this provision. The parties agree that there shall be no public filing, registration or notice of the Sintel Stock Pledge Agreement unless an Event of Default shall have occurred.

ss.5.18. Certain Transactions. Except as set forth on Schedule 5.18 and except for arm's length transactions pursuant to which the Borrowers make payments in the ordinary course of business upon terms no less favorable than the Borrowers could obtain from third parties, none of the officers, directors, or employees of the Borrowers is presently a party to any transaction with the Borrowers (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Borrowers, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

ss.5.19. Subsidiaries. Schedule 1 sets forth a complete and accurate list of the direct or indirect Subsidiaries of the Parent, including the name of each Subsidiary and its jurisdiction of incorporation, together with the number of authorized and outstanding shares of each Subsidiary. All of the stock of each U.S. Subsidiary (other than the Excluded Subsidiaries) and 66% of the stock of Sintel which is directly or indirectly owned by the Parent has been pledged to the Agent on behalf of the Banks pursuant to the Stock Pledge Agreements. The Parent has good and marketable title to all of the shares it purports to own of the stock of each such Subsidiary, free and clear in each case of any lien. All such shares have been duly issued and are fully paid and non-assessable. Each Subsidiary of the Parent, other than the Excluded Subsidiaries and the members of the MasTec International Group, is a Borrower hereunder.

ss.5.20. True Copies of Charter and Other Documents. The Borrowers and the International Signatories have furnished the Agent copies, in each case true and complete as of the date hereof, of (a) all charter and other incorporation documents (together with any amendments thereto) and (b) by-laws (together with any amendments thereto); provided, however, that the International Signatories shall have ninety (90) days to effect this provision as regards Sintel.

ss.6. AFFIRMATIVE COVENANTS OF THE BORROWERS. The Borrowers jointly and severally covenant and agree that, so long as any Loan, Reimbursement Obligation or Note is outstanding or the Banks have any obligation to make Loans or the Agent has any obligation to issue, extend, or renew any Letters of Credit hereunder:

ss.6.1. Punctual Payment. The Borrowers will duly and punctually pay or cause to be paid the principal and interest on the Loans, all fees and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and such other Loan Documents.

ss.6.2. Maintenance of Office. The Borrowers will maintain their chief executive offices as set forth on Schedule 1 or at such other place in the United States of America as the Borrowers shall designate upon thirty (30) days' prior written notice to the Agent.

ss.6.3. Records and Accounts. Each of the Borrowers will keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP and with the requirements of all regulatory authorities, and will maintain adequate accounts and reserves for all taxes (including income taxes), depreciation, depletion, obsolescence and amortization of its properties, all other contingencies, and all other proper reserves.

ss.6.4. Financial Statements, Certificates and Information. The Borrowers shall deliver to the Banks:

(a) as soon as practicable, but in any event not later than fifty (50) days after the end of each fiscal quarter of the Borrowers, copies of the consolidated balance sheet and statement of income of the Borrowers (excluding that portion of the Parent's assets, liabilities, income and expenses attributable to non-Borrowers) as at the end of such quarter, subject to year end adjustments, and the related statement of cash flows, all in reasonable detail and prepared in accordance with GAAP, with a certification by the principal financial or accounting officer of the Parent (the "CFO") that these consolidated financial statements are prepared in accordance with GAAP and fairly present the consolidated financial condition of the Borrowers as at the close of business on the date thereof and the results of operations for the period then ended;

(b) as soon as practicable, but in any event not later than fifty (50) days after the end of each fiscal quarter of the Parent, copies of the consolidated balance sheet and statement of income of the Parent as at the end of such quarter, subject to year end adjustments, and the related statement of cash flows, all in reasonable detail and prepared in accordance with GAAP, with a certification by the CFO that these consolidated financial statements are prepared in accordance with GAAP and fairly present the consolidated financial condition of the Parent as at the close of business on the date thereof and the results of operations for the period then ended;

(c) as soon as practicable, but, in any event not later than one hundred (100) days after the end of each fiscal year of the Parent, the consolidated and consolidating balance sheets of Parent as at the end of such year, statements of cash flows, and the related consolidated and consolidating statements of income, each setting forth in comparative form the figures for the previous fiscal year, all such consolidated and consolidating financial statements to be in reasonable detail, prepared in accordance with GAAP and, with respect to the consolidated financial statements, certified by Coopers & Lybrand L.L.P. or another independent accounting firm of national standing acceptable to the Agent (the "Accountants") and including a reconciliation of the consolidated financial statements of the Borrowers (excluding that portion of the Parent's assets, liabilities, income and expenses attributable to non-Borrowers) to the consolidated financial statements of the Parent. In addition, simultaneously therewith, the Borrowers shall use their reasonable best efforts to provide the Banks with a written statement from such Accountants to the effect that the Borrowers are in compliance with the covenants set forth in ss.8 hereof, and that, in making the examination necessary to said certification, nothing has come to the attention of such Accountants that would indicate that any Default or Event of Default exists, or, if such Accountants shall have obtained knowledge of any then existing Default or Event of Default they shall disclose in such statement any such Default or Event of Default; provided, that such Accountants shall not be liable to the Banks for failure to obtain knowledge of any Default or Event of Default;

(d) as soon as practicable, but in any event not later than thirty (30) days after the end of each fiscal quarter of the Borrowers, copies of the Accounts Receivable aging reports of the Borrowers and the consolidated liquidity calculation for such date required under ss.8.4 hereof, all in reasonable detail and prepared in accordance with GAAP, with a certification by the CFO that these reports and calculation are prepared in accordance with GAAP and fairly present the Accounts Receivable of the Borrowers as at the close of business on the date thereof;

(e) simultaneously with the delivery of the items referred to in (a), (b) and (c) above, a statement in the form of Exhibit D hereto (the "Compliance Certificate") certified by the CFO that the Borrowers are in compliance with the covenants contained in ss.ss.6, 7 and 8 hereof as of the end of the applicable period and setting forth in reasonable detail computations evidencing such compliance, provided that if the Borrowers shall at the time of issuance of such certificate or at any other time obtain knowledge of any Default or Event of Default, the Borrowers shall include in such certificate or otherwise deliver forthwith to the Banks a certificate specifying the nature and period of existence thereof and what action the Borrowers propose to take with respect thereto;

(f) contemporaneously with, or promptly following, the filing or mailing thereof, copies of all material filed with the Securities and Exchange Commission or sent to the stockholders of the Parent or any of the Borrowers; and

(g) from time to time, such other financial data and other information (including accountants' management letters) as the Banks may reasonably request.

The Borrowers hereby authorize the Banks to disclose any information obtained pursuant to this Agreement to all appropriate governmental regulatory authorities where required by law; provided, however, that the Banks shall, to the extent practicable and allowable under law, notify the Borrowers within a reasonable period prior to the time any such disclosure is made; and provided further, that this authorization shall not be deemed to be a waiver of any rights to object to the disclosure by the Banks of any such information which any Borrower has or may have under the federal Right to Financial Privacy Act of 1978, as in effect from time to time.

ss.6.5. Corporate Existence and Conduct of Business. Except where the failure of a Borrower to remain so qualified would not materially adversely impair the financial condition of the Borrowers on a consolidated basis, each

Borrower will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, corporate rights and franchises; effect and maintain its foreign qualifications, licensing, domestication or authorization except as terminated by its Board of Directors in the exercise of its reasonable judgment; and shall not become obligated under any contract or binding arrangement which, at the time it was entered into would materially adversely impair the financial condition of the Borrowers on a consolidated basis. Each Borrower will continue to engage primarily in the businesses now conducted by it and in related businesses.

ss.6.6. Maintenance of Properties. The Borrowers will cause all material properties used or useful in the conduct of their businesses to be maintained and kept in good condition, repair and working order (reasonable wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrowers may be necessary so that the businesses carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this section shall prevent any Borrower from (i) discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Borrower, desirable in the conduct of its or their business and does not in the aggregate have a material adverse effect on the business or financial condition of the Borrowers taken as a whole, or (ii) conducting a sale of assets permitted pursuant to ss.7.4 hereof.

ss.6.7. Insurance. The Borrowers will maintain with financially sound and reputable insurance companies, funds or underwriters' insurance of the kinds, covering the risks (other than risks arising out of or in any way connected with personal liability of any officers and directors thereof) and in the relative proportionate amounts usually carried by reasonable and prudent companies conducting businesses similar to that of the Borrowers, but in no event less than the amounts and coverages set forth in Schedule 6.7 hereto as affected by adjustments to retention levels in the ordinary course of business. In addition, the Borrowers will furnish from time to time, upon the Agent's request, a summary of the insurance coverage of each of the Borrowers, which summary shall be in form and substance satisfactory to the Agent and, if requested by the Agent, will furnish to the Agent copies of the applicable policies.

ss.6.8. Taxes. The Borrowers will each duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges (other than taxes, assessments and other governmental charges imposed by foreign jurisdictions which in the aggregate are not material to the business or assets of the Borrowers taken as a whole) imposed upon it and its real properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies, which if unpaid might by law become a lien or charge upon any of its property other than a Permitted Lien; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if such Borrower shall have set aside on its books adequate reserves with respect thereto; and provided, further, that such Borrower will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien which may have attached as security therefor.

ss.6.9. Inspection of Properties, Books, and Contracts. The Borrowers shall permit the Banks, the Agent or any of their designated representatives, upon reasonable notice to the Parent, to visit and inspect any of the properties of the Borrowers, to examine the books of account of the Borrowers (including the making of periodic accounts receivable reviews), or contracts (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrowers with, and to be advised as to the same by, their officers, all at such times and intervals as the Banks may reasonably request.

ss.6.10. Compliance with Laws, Contracts, Licenses and Permits; Maintenance of Material Licenses and Permits. Each Borrower will (i) comply with the provisions of its charter documents and by-laws and all agreements and instruments by which it or any of its properties may be bound; and (ii) comply with all applicable laws and regulations (including Environmental Laws), decrees, orders, judgments, licenses and permits, including, without limitation, all environmental permits hereto ("Applicable Laws"), except where noncompliance in the case of (i) and (ii) above would not have a material adverse effect in the aggregate on the consolidated financial condition, properties or business of the Borrowers taken as a whole, or would not impair the ability of any Borrower or International Signatory to enter into or perform the Loan Documents. If at any time while the Notes, or any Loan or Letter of Credit is outstanding or any Bank or the Agent has any obligation to make Loans or issue Letters of Credit hereunder, any authorization, consent, approval, permit or license from any officer, agency or instrumentality of any government shall become necessary or required in order that any Borrower may fulfill any of its obligations hereunder, such Borrower will immediately take or cause to be taken all reasonable steps within the power of such Borrower to obtain such authorization, consent, approval, permit or license and furnish the Banks with evidence thereof.

ss.6.11. ENVIRONMENTAL INDEMNIFICATION. THE BORROWERS COVENANT AND AGREE THAT THEY WILL INDEMNIFY AND HOLD THE BANKS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, EXPENSE, DAMAGE, LOSS OR LIABILITY INCURRED BY THE BANKS (INCLUDING ALL COSTS OF LEGAL REPRESENTATION INCURRED BY THE BANKS) RELATING TO (A) ANY RELEASE OR THREATENED RELEASE OF HAZARDOUS SUBSTANCES ON THE REAL PROPERTY; (B) ANY VIOLATION OF ANY ENVIRONMENTAL LAWS WITH RESPECT TO CONDITIONS AT THE REAL PROPERTY OR THE OPERATIONS CONDUCTED THEREON; OR (C) THE INVESTIGATION OR REMEDIATION OF OFFSITE LOCATIONS AT WHICH THE BORROWERS OR THEIR PREDECESSORS ARE ALLEGED TO HAVE DIRECTLY OR INDIRECTLY DISPOSED OF HAZARDOUS SUBSTANCES. IT IS EXPRESSLY ACKNOWLEDGED BY THE BORROWERS THAT THIS COVENANT OF INDEMNIFICATION SHALL INCLUDE CLAIMS, EXPENSE, DAMAGE, LOSS OR LIABILITY INCURRED BY THE BANKS BASED UPON THE BANKS' NEGLIGENCE, AND THIS COVENANT SHALL SURVIVE ANY FORECLOSURE OR ANY MODIFICATION, RELEASE OR DISCHARGE OF THE STOCK PLEDGE

ss.6.12. Further Assurances. The Borrowers will cooperate with the Banks and execute such further instruments and documents as the Banks shall reasonably request to carry out to the Banks' satisfaction the transactions contemplated by this Agreement.

ss.6.13. Notice of Potential Claims or Litigation. The Borrowers shall deliver to the Banks, within 30 days of receipt thereof, written notice of the initiation of any action, claim, complaint, or any other notice of dispute or potential litigation wherein the potential liability would be material to the Borrowers taken as a whole under the regulations of the United States Securities and Exchange Commission, together with a copy of each such notice received by the Parent or any of its Subsidiaries.

ss.6.14. Notice of Default. The Borrowers will promptly notify the Banks in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of a claimed default (whether or not constituting an Event of Default) under this Agreement or any other note, evidence of indebtedness, indenture or other obligation evidencing indebtedness in excess of \$1,000,000 as to which any Borrower is a party or obligor, whether as principal or surety, the Borrowers shall forthwith give written notice thereof to the Banks, describing the notice of action and the nature of the claimed default.

ss.7. CERTAIN NEGATIVE COVENANTS OF THE BORROWERS. The Borrowers agree that, so long as any Loan, Reimbursement Obligation or any Note is outstanding or the Banks have any obligation to make Loans or the Agent has any obligation to issue, extend or renew any Letters of Credit hereunder:

ss.7.1. Restrictions on Funded Debt. None of the Borrowers shall become or be a guarantor or surety of, or otherwise create, incur, assume, or be or remain liable, contingently or otherwise, with respect to any Funded Debt, or become or be responsible in any manner (whether by agreement to purchase any obligations, stock, assets, goods or services, or to supply or advance any funds, assets, goods or services or otherwise) with respect to any Funded Debt of any other Person, or incur any Funded Debt other than:

(a) Indebtedness to the Banks and the Agent arising under this Agreement or the Loan Documents;

(b) Subordinated Debt of the Parent;

(c) Existing Funded Debt listed on Schedule 7.1(c) hereto, on the terms and conditions in effect as of the date hereof, together with any renewals, extensions or refinancings thereof on terms which are not materially different than those in effect as of the date hereof; provided that no more than \$5,000,000 of such indebtedness may be prepaid without prior written consent of the Banks;

(d) Funded Debt incurred in connection with acquisitions after the date hereof of any stocks of, partnership or joint venture interests in, or assets of any Person and owing to the seller(s) of such stocks, partnership or joint venture interests, or assets; provided that the principal amount of any such Funded Debt owed (when aggregated with all such other Funded Debt permitted pursuant to this ss.7.1(d)) shall not exceed \$10,000,000; and provided, further, that such acquisitions shall be otherwise permitted pursuant to ss.7.4; and

(e) Other Funded Debt not to exceed \$10,000,000 in the aggregate incurred after the date hereof (including existing Funded Debt of any Borrower acquired pursuant to ss.7.4 hereof after the date hereof).

ss.7.2. Restrictions on Liens. None of the Borrowers will create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, charge, restriction or other security interest of any kind upon any property or assets of any character, whether now owned or hereafter acquired, or upon the income or profits therefrom; or transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of indebtedness or performance of any other obligation in priority to payment of its general creditors; or acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; or suffer to exist for a period of more than thirty (30) days after the same shall have been incurred any indebtedness or claim or demand against it which if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles or chattel paper, with or without recourse, except as follows (the "Permitted Liens"):

(a) Liens securing Funded Debt permitted under ss.7.1(d) and 7.1(e) incurred in connection with the lease or acquisition of property or fixed assets useful or intended to be used in carrying on the business of the Borrowers, provided that such Liens shall encumber only the property or assets so acquired and shall not exceed the fair market value thereof and provided further that the aggregate amount of Funded Debt secured by such liens shall not exceed \$5,000,000;

(b) Liens to secure taxes, assessments and other government charges or claims for labor, material or supplies in respect of obligations not overdue;

(c) Deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations;

(d) Liens in respect of judgments or awards which have been in force for less than the applicable period for taking an appeal so long as execution is not levied thereunder or in respect of which any Borrower shall at the time in good faith be prosecuting an appeal or proceedings for review and in respect of which a stay of execution shall have been obtained pending such appeal or review and in respect of which the Borrowers have maintained adequate reserves;

(e) Liens of carriers, warehousemen, mechanics and materialmen, and other like liens, in existence less than one-hundred and twenty (120) days from the date of creation thereof in respect of obligations not overdue;

(f) Encumbrances consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which any Borrower is a party, and other minor liens or encumbrances none of which in the opinion of the respective Borrower interferes materially with the use of the property affected in the ordinary conduct of the business of such Borrower, which defects do not individually or in the aggregate have a material adverse effect on the business of such Borrower individually or of the Borrowers on a consolidated basis;

(g) Liens (including Liens securing Funded Debt permitted under ss.7.1(c)) existing as of the date hereof and listed on Schedule 7.2(g) on the terms and conditions in effect as of the date hereof;

(h) Existing Liens in connection with the Fleet Credit Agreement and the First Union mortgages, provided that the proceeds of the initial Loan advanced hereunder shall be used to discharge such Liens;

(i) Liens granted pursuant to the Stock Pledge Agreements; and

(j) Other Liens securing indebtedness in an aggregate amount not to exceed \$500,000 at any time.

ss.7.3. Restrictions on Investments. None of the Borrowers shall make or permit to exist or to remain outstanding any other Investment other than:

(a) marketable direct or guaranteed obligations of the United States of America or any agency or instrumentality thereof fully guaranteed or otherwise fully backed by the full faith and credit of the United States Government that mature within one (1) year from the date of purchase by the Borrower;

(b) demand deposits, certificates of deposit, bankers acceptances and time deposits of United States banks or Eligible Foreign Banks having total assets in excess of \$1,000,000,000;

(c) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of America or any state thereof that at the time of purchase have been rated and the ratings for which are not less than "P 1" if rated by Moody's Investors Services, Inc., and not less than "A 1" if rated by Standard and Poor's;

(d) Subject to ss.7.1 and ss.7.4, Investments by any Borrower in any other Borrower; and

(e) Investments by any Borrower in any affiliate or Subsidiary of a Borrower which is not also a Borrower (which may include the MasTec International Group or other non-U.S. entities) or in any other Person, provided, however, that the aggregate amount from the date hereof of such Investments outstanding at any time shall not exceed \$15,000,000 plus

(i) the lesser of (A) the sum of net cash proceeds received in connection with the sale of the Cempresa, S.A. and Supercanal Holding, S.A. investments and the issuance of common stock of the Parent after the date hereof or (B) \$35,000,000;

plus

(ii) with the prior consent of the Majority Banks, (A) 50% of net cash proceeds received in connection with the issuance of Subordinated Debt after the date hereof plus (B) without double counting any such amounts included in (i) (A) hereof, up to 75% of net cash proceeds received in connection with the issuance of common stock of the Parent after the date hereof;

provided, however, that the aggregate amount of (ii) hereof shall not exceed \$100,000,000.

Notwithstanding (e) above, none of the Borrowers shall make any Investment in any Subsidiary which is not a Borrower hereunder unless, both before and after giving effect thereto, there does not exist a Default or Event of Default and no Default or Event of Default would be created by the making of such Investment.

ss.7.4. Mergers, Consolidations, Sales. None of the Borrowers shall be a party to any merger, consolidation or exchange of stock, or purchase or otherwise acquire all or substantially all of the assets or stock of, or any partnership or joint venture interest in, any other Person except as otherwise provided in this ss.7.4, or sell, transfer, convey or lease any assets or group

of assets (except sales of equipment tools, parts and related assets in the ordinary course of business, sales of assets totaling an aggregate amount, from the date hereof through the Maturity Date, of no more than \$10,000,000, and dispositions listed on Schedule 7.4) or sell or assign, with or without recourse, any receivables (except to another Borrower). A Borrower may purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or joint venture interest in, any Person provided that (a) at the time of such acquisition, no Default or Event of Default has occurred and is continuing, and such acquisition will not otherwise create a Default or an Event of Default hereunder; (b) the business to be acquired is predominantly in the same lines of business as the Borrowers, or businesses reasonably related thereto; (c) the aggregate cash consideration to be paid in connection with any such acquisition (including deferred payments and the aggregate amount of all Funded Debt assumed, but excluding contingent payments) shall not exceed \$10,000,000; (d) the Borrowers are in current compliance with and, giving effect to the proposed acquisition (including any borrowings made or to be made in connection therewith), will continue to be in compliance with all of the covenants in ss.8 hereof on a pro forma historical combined basis as if the transaction occurred on the first day of the period of measurement, and in the event that the aggregate cash consideration given in connection with any such acquisition exceeds \$7,500,000, including deferred payments and the aggregate amount of all liabilities assumed, the Banks shall have been provided with a Compliance Certificate demonstrating such compliance; (e) the board of directors and (if required by applicable law) the shareholders, or the equivalent thereof, of the business to be acquired has approved such acquisition; (f) the business to be acquired operates predominantly in the continental United States; (g) in the case of an asset acquisition, all of the assets to be acquired shall be owned by an existing or newly created Subsidiary of the Parent which is a Borrower, all of the stock of which that is directly or indirectly owned by the Parent has been or will be pledged to the Agent on behalf of the Banks, or, in the case of a stock acquisition, the acquired company shall become or shall be merged with a wholly-owned Subsidiary of the Parent which is a Borrower, 100% of the stock of which has been or will be pledged to the Agent on behalf of the Banks; and (h) if such acquisition is made by a merger, the surviving entity shall be a Borrower, 100% of the stock of which shall be pledged to the Agent on behalf of the Banks. Any Borrower may merge with any other Borrower.

ss.7.5. Sale and Leaseback. None of the Borrowers shall enter into any arrangement, directly or indirectly, whereby any Borrower shall sell or transfer any property owned by it in order then or thereafter to lease such property or lease other property which such Borrower intends to use for substantially the same purpose as the property being sold or transferred, without the prior written consent of the Banks; other than such arrangements which do not in the aggregate exceed \$100,000.

ss.7.6. Restricted Distributions and Redemptions. None of the Borrowers may make Distributions except as set forth in this ss.7.6. Each Borrower may make distributions payable solely in common stock or preferred stock of such Borrower, subject to the requirement to pledge all such stock pursuant to ss.5.19 hereof. Borrowers other than the Parent may declare or pay Distributions to the Parent. In addition, the Borrowers (other than the Parent) shall not redeem, convert, retire or otherwise acquire shares of any class of capital stock of such Borrowers. The Parent may declare or pay dividends and may redeem, convert, retire, or otherwise acquire shares of its capital stock, provided that the aggregate amount of all such Distributions by the Parent shall not exceed 50% of Consolidated Net Income in any one fiscal year. None of the Borrowers may make any Distribution under this ss.7.6 if a Default or Event of Default exists or would be created by the making of such Distribution. The Borrowers shall not effect or permit any change in or amendment to any document or instrument pertaining to the terms of the Borrowers' or the International Signatories' capital stock other than the amendment to the Parent's certificate of incorporation increasing the authorized amount of common stock and the par value of the common stock and the preferred stock.

ss.7.7. Employee Benefit Plans. None of the Borrowers nor any ERISA Affiliate will:

(a) engage in any "prohibited transaction" within the meaning of ss.406 of ERISA or ss.4975 of the Code which could result in a material liability for the Borrowers taken as a whole; or

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency," as such term is defined in ss.302 of ERISA, whether or not such deficiency is or may be waived; or

(c) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of any Borrower pursuant to ss.302(f) or ss.4068 of ERISA; or

(d) amend any Guaranteed Pension Plan in circumstances requiring the posting of security pursuant to ss.307 of ERISA or ss.401(a)(29) of the Code; or

(e) permit or take any action which would result in the aggregate benefit liabilities (within the meaning of ss.4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities.

The Borrowers will (i) promptly upon filing the same with the Department of Labor or Internal Revenue Service, furnish to the Banks a copy of the most recent actuarial statement required to be submitted under ss.103(d) of ERISA and Annual Report, Form 5500, with all required attachments, in respect of each Guaranteed Pension Plan and (ii) promptly upon receipt or dispatch, furnish to the Banks any notice, report or demand sent or received in respect of a Guaranteed Pension Plan under ss.302, 4041, 4042, 4043, 4063, 4066 and 4068

of ERISA, or in respect of a Multiemployer Plan, under ss.ss.4041A, 4202, 4219, 4242, or 4245 of ERISA.

ss.7.8. Negative Pledges. Except for Permitted Liens, no Borrower will pledge any of its assets to any Person other than to the Agent for the benefit of the Banks, nor will any Borrower grant any negative pledges on their assets to any Person other than hereunder.

ss.7.9. Pledges of Stock of the Sintel Group. So long as the Sintel Stock Pledge Agreement or any successor agreement has not been terminated pursuant to ss.11 hereof, Sintel will not pledge any of the capital stock of the Sintel Group to any Person other than to the Agent for the benefit of the Banks, nor will Sintel grant any negative pledges on the capital stock of the Sintel Group to any Person other than hereunder.

ss.7.10. Newly-Created Subsidiaries. No Borrower shall create a Subsidiary which is not a U.S. Subsidiary.

ss.8. FINANCIAL COVENANTS OF THE BORROWERS. The Borrowers agree that, so long as any Loan, Reimbursement Obligation or any Note is outstanding or the Banks have any obligation to make Loans or the Agent has any obligation to issue, extend or renew any Letters of Credit hereunder, they shall comply with the following covenants:

ss.8.1. Leverage Ratios. As of the end of any fiscal quarter of the Borrowers commencing with the fiscal quarter ending March 31, 1997, (a) the ratio of (i) Senior Debt to (ii) EBITDA for the period of four (4) consecutive fiscal quarters ending on such date shall not exceed 2.50:1, and (b) the ratio of (i) Funded Debt to (ii) EBITDA for the period of four (4) consecutive fiscal quarters ending on such date shall not exceed 3.00:1.

ss.8.2. Capital Expenditures. In any fiscal year, the Borrowers shall not make or commit to make Capital Expenditures in excess of two times the consolidated depreciation and amortization expenses of the Borrowers for such fiscal year.

ss.8.3. Interest Coverage Ratio. As of the end of any fiscal quarter of the Borrowers commencing with the fiscal quarter ending March 31, 1997, the ratio of (a) EBIT for the period of four (4) consecutive fiscal quarters ending on such date to (b) Consolidated Total Interest Expense for such period shall not be less than 4.00:1.

ss.8.4. Liquidity. As of the end of any fiscal quarter of the Borrowers commencing with the fiscal quarter ending March 31, 1997, (i) the ratio of (a) Qualified Accounts Receivable to (b) the sum of trade payables of the Borrowers shall not be less than 1.40:1, and (ii) the ratio of (a) Qualified Accounts Receivable to (b) Accounts Receivable shall not be less than 0.70:1.

ss.8.5. Profitable Operations. The Borrowers will not permit Consolidated Net Income to be less than \$0 for any two consecutive fiscal quarters.

ss.9. CLOSING CONDITIONS.

The obligations of the Banks to make the Loans and the Agent to issue Letters of Credit on the Closing Date and otherwise be bound by the terms of this Agreement shall be subject to the satisfaction of each of the following conditions precedent:

ss.9.1. Corporate Action. All corporate action necessary for the valid execution, delivery and performance by each Borrower and International Signatory of the Loan Documents shall have been duly and effectively taken, and evidence thereof satisfactory to the Agent shall have been provided to the Agent; provided, however, that Sintel shall have ninety (90) days after the Closing Date to effect this provision.

ss.9.2. Loan Documents, Etc. Each of the Loan Documents shall have been duly and properly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect in a form satisfactory to the Banks; provided, however, that Sintel shall have ninety (90) days after the Closing Date to effect this provision.

ss.9.3. Certified Copies of Charter Documents. The Agent shall have received from each of the Borrowers and the International Signatories a copy, certified by a duly authorized officer of such Person to be true and complete on the date hereof, of each of (a) its charter or other incorporation documents (including certificates of merger and name changes) as in effect on such date of certification, and (b) its by-laws as in effect on such date; provided, however, that Sintel shall have ninety (90) days after the Closing Date to effect this provision.

ss.9.4. Incumbency Certificate. The Agent shall have received an incumbency certificate, dated as of the date hereof, signed by duly authorized officers giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign the Loan Documents on behalf of the Borrowers and the International Signatories; (b) to make Loan and Letter of Credit Requests; and (c) to give notices and to take other action on the Borrowers' and the International Signatories' behalf under the Loan Documents; provided, however, that Sintel shall have ninety (90) days after the Closing Date to effect this provision.

ss.9.5. Validity of Liens. Each of the Stock Pledge Agreements shall be effective to create in favor of the Agent a legal, valid and enforceable first security interest in and lien upon the Collateral, subject only to Permitted Liens. All filings, recordings, deliveries of instruments and other actions necessary or desirable in the opinion of the Agent to protect and preserve such security interests shall have been duly effected. The Agent shall have received evidence thereof in form and substance satisfactory to the Agent; provided, however, that the International Signatories shall have ninety (90) days after

the Closing Date to effect this provision.

ss.9.6. UCC Search Results. The Agent shall have received the results of UCC searches with respect to the Borrowers indicating no liens other than Permitted Liens and otherwise in form and substance satisfactory to the Agent.

ss.9.7. Certificates of Insurance. The Agent shall have received (a) a certificate of insurance from an independent insurance broker dated as of the date hereof, or within fifteen (15) days prior thereto, identifying insurers, types of insurance, insurance limits, and policy terms, and otherwise describing the insurance coverage of the Borrowers and (b) copies of all policies evidencing such insurance (or certificates therefor signed by the insurer or an agent authorized to bind the insurer).

ss.9.8. Opinion of Counsel. The Banks shall have received favorable legal opinions from general counsel to the Borrowers, addressed to the Banks, dated as of the date hereof, in form and substance satisfactory to the Agent. Opinions satisfactory to the Agent regarding the Sintel Stock Pledge Agreement and the International Pledge Documents (defined therein) shall be received within ninety (90) days of the date hereof.

ss.9.9. Certificate of Financial Condition. The Agent shall have received a certificate from the CFO satisfactory to the Agent certifying that no material adverse change has occurred in the financial condition, results of operations, business, properties or prospects of the Borrowers, taken as a whole, since the date of the most recent financial statements and projections provided to the Banks.

ss.9.10. Initial Compliance Certificate. The Agent shall have received a Compliance Certificate regarding compliance with the covenants set forth in ss.8 hereof as of the Closing Date.

ss.9.11. Interim Balance Sheets and Income Statements. The Agent shall have received an unaudited consolidated balance sheet and statement of income of the Parent dated the Interim Balance Sheet Date, including reconciliations of (A) the Borrowers (excluding that portion of assets, liabilities, income and expenses of the Parent attributable to non-Borrowers) and (B) the non-Borrowers to the consolidated balance sheet and statement of income of the Parent, which balance sheet and statement of income shall be attached hereto as Schedule 9.11.

ss.9.12. Payoff Letters. The Banks shall have received payoff letters from Fleet Financial Corporation ("Fleet") with respect to the Fleet Credit Agreement and from First Union regarding its mortgages indicating the amount to be paid to such lenders on the Closing Date in order to fully discharge such obligations to the lenders and acknowledging that upon receipt of such funds each will forthwith execute and deliver to the Agent for filing all termination statements and take such other actions as may be necessary to discharge all mortgages and security interests in favor of such lender.

ss.10. CONDITIONS OF ALL LOANS.

The obligations of the Banks to make any Loan (including without limitation the obligation of the Agent to issue any Letter of Credit) on and subsequent to the Closing Date is subject to the following conditions precedent:

ss.10.1. Representations True; No Event of Default. Each of the representations and warranties of the Borrowers contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of any Drawdown Date with the same effect as if made at and as of that time (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and changes occurring in the ordinary course of business which singly or in the aggregate are not materially adverse, or to the extent that such representations and warranties relate expressly to an earlier date) and no Default or Event of Default shall have occurred and be continuing.

ss.10.2. Performance; No Event of Default. The Borrowers shall have performed and complied with all terms and conditions herein required to be performed or complied with by them prior to or at the time of any Loan, and at the time of any Loan, there shall exist no Event of Default or condition which would result in an Event of Default upon consummation of such Loan (including without limitation any amounts to be drawn under a Letter of Credit). Each request by the Borrowers for a Loan (including without limitation each request for issuance of a Letter of Credit) subsequent to the first Loan shall constitute certification by the Borrowers that the conditions specified in ss.ss.10.1 and 10.2 will be duly satisfied on the date of such Loan or Letter of Credit issuance.

ss.10.3. No Legal Impediment. No change shall have occurred in any law or regulations thereunder or interpretations thereof which in the reasonable opinion of the Banks would make it illegal for the Banks to make Loans hereunder.

ss.10.4. Governmental Regulation. The Banks shall have received such statements in substance and form reasonably satisfactory to the Banks as they shall require for the purpose of compliance with any applicable regulations of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System.

ss.10.5. Proceedings and Documents. All proceedings in connection with the transactions contemplated by this Agreement and all documents incident thereto shall have been delivered to the Banks as of the date hereof in form and substance satisfactory to the Banks, including without limitation a Letter of Credit and Loan Request in the form attached hereto as Exhibit C, and the Banks shall have received all information and such counterpart originals or certified or other copies of such documents as the Banks may reasonably request.

ss.11. COLLATERAL SECURITY. The Obligations shall be secured by a perfected security interest (having, with respect to each category of Collateral, the respective rights and priorities set forth herein and in the Stock Pledge Agreements) in all of the Collateral, whether now owned or hereafter acquired, pursuant to the terms of the Stock Pledge Agreements. However, provided that no Default or Event of Default has occurred and is continuing, the Agent shall release the stock of Sintel and the Sintel Stock Pledge Agreement (or any successor agreement) shall terminate, if such release and termination is a required condition of refinancing the indebtedness of Sintel or its immediate parent (including, without limitation, refinancing existing indebtedness to Telefonica), provided that the Agent consents to the terms of such refinancing, which consent shall not be unreasonably withheld.

ss.12. EVENTS OF DEFAULT; ACCELERATION; TERMINATION OF COMMITMENT.

ss.12.1. Events of Default and Acceleration. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice and/or lapse of time, "Defaults") shall occur:

(a) the Borrowers shall fail to pay any principal of the Loans or any Reimbursement Obligations when the same shall become due and payable, whether at the Maturity Date or any accelerated date of maturity or at any other date fixed for payment;

(b) the Borrowers shall fail to pay any interest or fees or other amounts owing hereunder within five (5) Business Days after the same shall become due and payable whether at the Maturity Date or any accelerated date of maturity or at any other date fixed for payment;

(c) the Borrowers shall fail to comply with the covenants contained in ss.6.3, 6.5, 6.7, 6.9, 6.13, 6.14, 7 or 8 hereof;

(d) the Borrowers shall fail to comply with the covenants contained in ss.6.4 or 6.10 hereof and such failure shall be continuing for ten (10) days;

(e) the Borrowers shall fail to perform any term, covenant or agreement contained herein or in any of the other Loan Documents (other than those specified in subsections (a), (b), (c) and (d) above) within thirty (30) days after written notice of such failure has been given to the Borrowers by the Banks;

(f) any representation or warranty contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall prove to have been false in any material respect upon the date when made or repeated;

(g) any Borrower shall fail to pay at maturity, or within any applicable period of grace, any and all obligations for Funded Debt (other than the Obligations) or any Guarantee with respect thereto in an aggregate amount greater than \$1,000,000, or fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing borrowed money in an aggregate amount greater than \$1,000,000 for such period of time as would, or would have permitted (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof;

(h) (i) any Borrower makes an assignment for the benefit of creditors, or admits in writing its inability to pay or generally fails to pay its debts as they mature or become due, or petitions or applies for the appointment of a trustee or other custodian, liquidator or receiver of any Borrower or of any substantial part of the assets of any Borrower or commences any case or other proceeding relating to any Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or takes any action to authorize or in furtherance of any of the foregoing (other than the dissolution of Subsidiaries with assets, liabilities and projected or anticipated revenues of less than (in each such case) \$100,000); or (ii) any such petition or application is filed or any such case or other proceeding is commenced against any Borrower and or any Borrower indicates its approval thereof, consent thereto or acquiescence therein;

(i) a decree or order is entered appointing any such trustee, custodian, liquidator or receiver or adjudicating any Borrower bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of any Borrower in an involuntary case under federal bankruptcy laws as now or hereafter constituted, and such decree or order remains in effect for more than sixty (60) days, whether or not consecutive;

(j) there shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty (30) days, whether or not consecutive, any final judgment against any Borrower which, with other outstanding final judgments against any Borrower, exceeds in the aggregate \$1,000,000 after taking into account any undisputed insurance coverage;

(k) any Borrower or any ERISA Affiliate incurs any liability to the PBGC or a Guaranteed Pension Plan pursuant to Title IV of ERISA in an aggregate amount exceeding \$1,000,000; any Borrower or any ERISA Affiliate is assessed withdrawal liability pursuant to Title IV of ERISA by a Multiemployer Plan requiring aggregate annual payments exceeding \$1,000,000, or any of the following occurs with respect to a Guaranteed Pension Plan: (i) an ERISA Reportable Event, or a failure to make a required installment or other payment (within the meaning of

ss.302(f)(1) of ERISA), provided the Agent determines in its reasonable discretion that such event (A) could be expected to result in liability of such Borrower to the PBGC or the Plan in an aggregate amount exceeding \$1,000,000 and (B) could constitute grounds for the termination of such Plan by the PBGC, for the appointment by the appropriate United States District Court of a trustee to administer such Plan or for the imposition of a lien in favor of the Guaranteed Pension Plan; (ii) the appointment by a United States District Court of a trustee to administer such Plan; or (iii) the institution by the PBGC of proceedings to terminate such Plan;

(l) any of the Loan Documents shall be cancelled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Banks, or any action at law, suit or in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrowers or any of their respective stockholders, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof; or

(m) (i) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 20% or more of the outstanding shares of common stock of the Parent, or (ii) members of the Jorge L. Mas family cease to own 30% or more of the common stock of the Parent; or (iii) during any period of twelve consecutive calendar months, individuals who were directors of the Parent on the first day of such period shall cease to constitute a majority of the Board of Directors of the Parent unless the replacement directors were nominated by the original directors;

then, and in any such event, so long as the same may be continuing, the Agent may and, upon the request of the Banks, shall, by notice in writing to the Borrowers, declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents and all Reimbursement Obligations to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers; provided that, in the event of any Bankruptcy Event, all such amounts shall become immediately due and payable automatically and without any requirement of notice from the Agent or any Bank. Upon demand by the Banks after the occurrence of any Event of Default, the Borrowers shall immediately provide to the Agent cash in an amount equal to the aggregate Maximum Drawing Amount of all Letters of Credit and Reimbursement Obligations outstanding, to be held by the Agent as collateral security for the Obligations.

ss.12.2. Termination of Commitments. If any Event of Default shall occur, any unused portion of the Total Commitment hereunder shall forthwith terminate and the Banks shall be relieved of all further obligations to make Loans to the Borrowers and the Agent shall be relieved of all further obligations to issue Letters of Credit; or if on any Drawdown Date the conditions precedent to the making of the Loans to be made on such Drawdown Date or the issuance of any Letters of Credit to be issued on such date are not satisfied (except as a consequence of a default on the part of the Banks), the Banks may by notice to the Borrowers, terminate the unused portion of the Total Commitment hereunder, and upon such Notice being given, such unused portion of the Total Commitment hereunder shall terminate immediately and the Banks shall be relieved of all further obligations to make Loans to the Borrowers and the Agent shall be relieved of all further obligations to issue, extend or renew Letters of Credit. No termination of any portion of the Total Commitment hereunder shall relieve the Borrowers of any of the Obligations.

ss.12.3. Remedies. Subject to ss.14.8, in case any one or more of the Events of Default shall have occurred and be continuing, and whether or not the Banks shall have accelerated the maturity of the Loans pursuant to ss.12.1, each Bank, if owed any amount with respect to the Loans or the Reimbursement Obligations, may, with the consent of the Majority Banks but not otherwise, proceed to protect and enforce its rights by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations to such Bank are evidenced, including, without limitation, as permitted by applicable law the obtaining of the ex parte appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any legal or equitable right of such Bank. No remedy herein conferred upon any Bank or the Agent or the holder of any Note or purchaser of any Letter of Credit Participation is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

ss.13. SETOFF. Regardless of the adequacy of any collateral, during the continuance of an Event of Default, any deposits or other sums credited by or due from any Bank to the Borrowers and any securities or other property of the Borrowers in the possession of such Bank may be applied to or set off against the payment of the Obligations and any and all other liabilities, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrowers to the Banks. Such Bank shall notify the Parent and the other Banks of such application or setoff. The Banks agree among themselves that, if a Bank shall obtain payment on any Obligations outstanding under this Agreement through the exercise of a right of offset, banker's lien or counterclaim, or from any other source (other than by way of a pro rata payment), it shall promptly notify the Agent thereof and make such adjustments with the other Banks as shall be equitable to the end that all the Banks shall

share the benefits of such payments pro rata in accordance with the aggregate unpaid amount of the Notes held by each Bank immediately prior to the payment obtained by such Bank as aforesaid. The Banks further agree among themselves that if any payment to a Bank obtained by such Bank through the exercise of a right of offset, banker's lien or counterclaim, or from any other source (other than by way of a pro rata payment) as aforesaid shall be rescinded or must otherwise be restored, the Banks who shall have shared the benefit of such payment shall return their share of that benefit to the Bank whose payment shall have been rescinded or otherwise restored.

ss.14. THE AGENT.

ss.14.1. Appointment of Agent, Powers and Immunities. Each Bank hereby irrevocably appoints and authorizes the Agent to act as its agent hereunder and under the other Loan Documents, provided, however, the Agent is hereby authorized to serve only as an administrative and collateral agent for the Banks and to exercise such powers as are reasonably incidental thereto and as are set forth in this Agreement and the other Loan Documents. The Agent hereby acknowledges that it does not have the authority to negotiate any agreement which would bind the Banks or agree to any amendment, waiver or modification of any of the Loan Documents or bind the Banks except as set forth in this Agreement or the Loan Documents. Except as provided herein and in the other Loan Documents, the Agent shall take action or refrain from acting only upon instructions of the Banks and no action taken or failure to act without the consent of the Banks shall be binding on any Bank which has not consented. Each Bank irrevocably authorizes the Agent to execute the Stock Pledge Agreements and all other instruments relating thereto and to take such action on behalf of each of the Banks and to exercise all such powers as are expressly delegated to the Agent under the Loan Documents and all related documents, together with such other powers as are reasonably incidental thereto. It is agreed that the duties, rights, privileges and immunities of the Agent, in its capacity as issuer of Letters of Credit hereunder, shall be identical to its duties, rights, privileges and immunities as a Bank as provided in this ss.14. The Agent shall not have any duties, obligations or responsibilities, or any fiduciary relationship with any Bank, except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, the Agent shall not be required to take any action with respect to any Default or Event of Default, except as expressly provided in ss.12. Neither the Agent nor any of its affiliates shall be responsible to the Banks for any recitals, statements, representations or warranties made by the Borrowers or any other Person whether contained herein or otherwise or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the other Loan Documents or any other document referred to or provided for herein or therein or for any failure by the Borrowers or any other Person to perform its obligations hereunder or thereunder or in respect of the Notes. The Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither the Agent nor any of its directors, officers, employees or agents shall be responsible for any action taken or omitted to be taken in good faith by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct. The Agent in its separate capacity as a Bank shall have the same rights and powers hereunder as any other Bank.

ss.14.2. Actions By Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement as it reasonably deems appropriate unless it shall first have received such advice or concurrence of the Banks and shall be indemnified to its reasonable satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any of the Loan Documents in accordance with a request of the Banks, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Banks and all future holders of the Notes or any Letter of Credit Participation.

ss.14.3. INDEMNIFICATION. WITHOUT LIMITING THE OBLIGATIONS OF THE BORROWERS HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENTS, THE BANKS AGREE TO INDEMNIFY THE AGENT, RATABLY IN ACCORDANCE WITH THEIR RESPECTIVE COMMITMENT PERCENTAGES, FOR ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER (OTHER THAN LOSSES WITH RESPECT TO THE AGENT'S PRO RATA SHARE OF THE OBLIGATIONS) WHICH HAVE NOT BEEN REIMBURSED BY THE BORROWERS AND WHICH MAY AT ANY TIME BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST THE AGENT IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY DOCUMENTS CONTEMPLATED BY OR REFERRED TO HEREIN OR THEREIN OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE ENFORCEMENT OF ANY OF THE TERMS HEREOF OR THEREOF OR OF ANY SUCH OTHER DOCUMENTS; PROVIDED, THAT NO BANK SHALL BE LIABLE FOR ANY OF THE FOREGOING TO THE EXTENT THEY ARISE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE AGENT (OR ANY AGENT THEREOF), IT BEING THE INTENT OF THE PARTIES HERETO THAT ALL SUCH INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR ORDINARY SOLE OR CONTRIBUTORY NEGLIGENCE.

ss.14.4. Reimbursement. Without limiting the provisions of ss.14.3, the Banks and the Agent hereby agree that the Agent shall not be obliged to make available to any Person any sum which the Agent is expecting to receive for the account of that Person until the Agent has determined that it has received that sum. The Agent may, however, disburse funds prior to determining that the sums which the Agent expects to receive have been finally and unconditionally paid to the Agent, if the Agent wishes to do so. If and to the extent that the Agent does disburse funds and it later becomes apparent that the Agent did not then receive a payment in an amount equal to the sum paid out, then any Person to whom the Agent made the funds available shall, on demand from the Agent, refund to the Agent the sum paid to that Person. If, in the opinion of the Agent, the distribution of any amount received by it in such capacity hereunder or under the Loan Documents might involve it in liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall

adjudge that any amount received and distributed by the Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

ss.14.5. Documents. The Agent will forward to each Bank, promptly after the Agent's receipt thereof, a copy of each notice or other document furnished to the Agent for such Bank hereunder; provided, however, that, notwithstanding the foregoing, the Agent may furnish to the Banks a monthly summary with respect to Letters of Credit issued hereunder in lieu of copies of the related Letter of Credit Applications.

ss.14.6. Non-Reliance on Agent and Other Banks. Each Bank represents that it has, independently and without reliance on the Agent or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of the financial condition and affairs of the Borrowers and decision to enter into this Agreement and the other Loan Documents and agrees that it will, independently and without reliance upon the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own appraisals and decisions in taking or not taking action under this Agreement or any other Loan Document. The Agent shall not be required to keep informed as to the performance or observance by the Borrowers of this Agreement, the other Loan Documents or any other document referred to or provided for herein or therein or by any other Person of any other agreement or to make inquiry of, or to inspect the properties or books of, any Person. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning any person which may come into the possession of the Agent or any of its affiliates. Each Bank shall have access to all documents relating to the Agent's performance of its duties hereunder at such Bank's request. Unless any Bank shall promptly object to any action taken by the Agent hereunder (other than actions to which the provisions of ss.14.8 are applicable and other than actions which constitute gross negligence or willful misconduct by the Agent), such Bank shall conclusively be presumed to have approved the same.

ss.14.7. Resignation of Agent. The Agent may resign at any time by giving 60 days' prior written notice thereof to the Banks and the Borrowers. Upon any such resignation, the Banks shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Banks and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a financial institution having a combined capital and surplus in excess of \$150,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation, the provisions of this Agreement shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent. Any new Agent appointed pursuant to this ss.14.7 shall immediately issue new Letters of Credit in place of Letters of Credit previously issued by the Agent.

ss.14.8. Action by the Banks, Consents, Amendments, Waivers, Etc. Except as otherwise expressly provided in this ss.14.8, any action to be taken (including the giving of notice) may be taken or any consent or approval required or permitted by the Agreement or any other Loan Document to be given by the Banks may be given, and any term of this Agreement, any other Loan Document or any other instrument, document or agreement related to this Agreement or the other Loan Documents or mentioned therein may be amended and the performance or observance by the Borrowers or any other person of any of the terms thereof and any Default or Event of Default (as defined in any of the above-referenced documents or instruments) may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Majority Banks; provided, however, that no such consent or amendment which affects the rights, duties or liabilities of the Agent (in its capacity as Agent) shall be effective without the written consent of the Agent. Notwithstanding the foregoing, no amendment, waiver or consent shall do any of the following unless in writing and signed by ALL of the Banks: (a) increase the principal amount of the Total Commitment (or subject the Banks to any additional obligations), (b) reduce the principal of or interest on the Notes (including, without limitation, interest on overdue amounts) or any fees or other amounts payable hereunder, (c) postpone any date fixed for any payment in respect of principal or interest or Reimbursement Obligations (including, without limitation, interest on overdue amounts) on the Notes, or any fees or other amounts payable hereunder; (d) extend the expiration date of any Letter of Credit beyond the Maturity Date, (e) change the definition of "Majority Banks" or number of Banks which shall be required for the Banks or any of them to take any action under the Loan Documents; (f) amend this ss.14.8; (g) change the Commitment Percentage of any Bank, except as permitted under ss.17 hereof; or (h) except as otherwise permitted in ss.11 hereof, release any Collateral.

ss.15. EXPENSES.

The Borrowers agree to pay (a) any taxes (including any interest and penalties in respect thereto) payable by the Agent or any of the Banks (other than Income Taxes) on or with respect to the transactions contemplated by this Agreement (the Borrowers hereby agreeing to indemnify the Agent and each Bank with respect thereto), (b) the reasonable fees, expenses and disbursements of the Agent's Special Counsel or any local counsel to the Agent incurred in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, each closing hereunder, and amendments, modifications, approvals, consents or waivers hereto or hereunder, (c) the fees, expenses and disbursements of the Agent incurred by the Agent in connection with the preparation, administration or interpretation of the Loan Documents and other instruments mentioned herein, including all credit examination fees, (d) all reasonable out-of-pocket expenses (including without limitation reasonable attorneys' fees and costs, which attorneys may be employees of any Bank or the Agent, and reasonable consulting, accounting, appraisal, investment banking and similar professional fees and charges) incurred by any Bank or the Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrowers or the administration thereof after the occurrence of a Default or Event of Default and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to any Bank's or the Agent's relationship with the Borrowers. In addition, the Borrowers agree to pay and save the Agent and the Banks harmless against any liability for payment of any state documentary stamp taxes, intangible taxes or similar taxes (including interest or penalties, if any) which may now or hereafter be determined to be payable in respect to the execution, delivery or recording of any Loan Document or the funding of any Loan, whether originally thought to be due or not, and regardless of any mistake of fact or law on the part of the Agent, the Banks or the Borrowers with respect to the applicability of such tax. The covenants of this ss.15 shall survive payment or satisfaction of all other Obligations.

ss.16. SURVIVAL OF COVENANTS, ETC. Unless otherwise stated herein, all covenants, agreements, representations and warranties made herein, in the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrowers pursuant hereto shall be deemed to have been relied upon by the Banks and the Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making of the Loans and the issuance, extension or renewal of any Letters of Credit, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement, any Letter of Credit or the Notes remains outstanding and unpaid or any Bank has any obligation to make any Loans or the Agent has any obligation to issue any Letters of Credit hereunder. All statements contained in any certificate or other paper delivered by or on behalf of the Borrowers pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrowers hereunder.

ss.17. ASSIGNMENT AND PARTICIPATION. It is understood and agreed that each Bank shall have the right to assign at any time all or a portion of its Commitment Percentage and interests in the risk relating to the Loans, outstanding Letters of Credit, and its Commitment hereunder in an amount equal to or greater than \$5,000,000 (which assignment shall be of an equal percentage of the Commitment, the Loans and outstanding Letters of Credit unless otherwise agreed to by the Agent) to additional banks or other financial institutions with the prior written approval of the Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrowers, which approvals shall not be unreasonably withheld. Any Bank may at any time, and from time to time, assign to any branch, lending office, or affiliate of such Bank all or any part of its rights and obligations under the Loan Documents by notice to the Agent and the Borrowers. It is further agreed that each bank or other financial institution which executes and delivers to the Agent and the Borrowers hereunder an Assignment and Acceptance substantially in the form of Exhibit E hereto together with an assignment fee in the amount of \$3,500 payable by the assigning Bank to the Agent, shall, on the date specified in such Assignment and Acceptance, become a party to this Agreement and the other Loan Documents for all purposes of this Agreement and the other Loan Documents, and its portion of the Commitment, the Loans and Letters of Credit shall be as set forth in such Assignment and Acceptance. The Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement. Upon the execution and delivery of such Assignment and Acceptance, (a) the Borrowers shall issue to the bank or other financial institution a Note in the amount of such bank's or other financial institution's Commitment dated the date of the assignment or such other date as may be specified by the Agent and otherwise completed in substantially the form of Exhibit A and to the extent any assigning Bank has retained a portion of its obligations hereunder, an appropriate replacement Note to the assigning Bank reflecting its assignment; (b) the Agent shall distribute to the Borrowers, the Banks and such bank or financial institution a schedule reflecting such changes; and (c) this Agreement shall be appropriately amended to reflect (i) the status of the bank or financial institution as a party hereto and (ii) the status and rights of the Banks hereunder.

Each Bank shall also have the right to grant participations to one or more banks or other financial institutions in its Commitment, the Loans and outstanding Letters of Credit. The documents evidencing any such participation shall limit such participating bank or financial institutions voting rights with respect to this Agreement to the matters set forth in ss.14.8 which require the vote of all Banks.

Notwithstanding the foregoing, no assignment or participation shall operate to increase the Total Commitment hereunder or otherwise alter the substantive

terms of this Agreement. Without the prior consent of the Agent and the Borrowers, no Bank which retains a Commitment hereunder shall have a Commitment of less than \$5,000,000, as such amount may be reduced upon reductions in the Total Commitment pursuant to ss.2.2 hereof.

Anything contained in this ss.17 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Lenders organized under ss.4 of the Federal Reserve Act, 12 U.S.C. ss.341. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

ss.18. PARTIES IN INTEREST. All the terms of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto and thereto; provided that no Borrower shall assign or transfer its rights hereunder without the prior written consent of the Banks.

ss.19. NOTICES, ETC.

ss.19.1. Notices. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the other Loan Documents shall be in writing and shall be delivered in hand, mailed by United States first-class mail, postage prepaid, or sent by telecopier and confirmed by letter, addressed as follows:

(a) if to the Borrowers, at 3155 N.W. 77th Avenue, Miami, Florida 33122-1205, Attention: Edwin D. Johnson; Senior Vice President & Chief Financial Officer, telecopy number (305) 406-1908, with a copy to the Legal Department of the Borrowers at the same address, telecopy number (305) 406-1907;

(b) if to the Agent or BKB, at 100 Federal Street, Boston, Massachusetts 02110, Attention: Arthur Oberheim, Vice President, telecopy number 617-434-2160;

or such other address for notice as shall have last been furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (a) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (b) if sent by registered or certified first-class mail, postage prepaid, five Business Days after the posting thereof, and (c) if sent by telecopier, at the time of the dispatch thereof with answer-back confirmation, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

ss.19.2. Deemed Notice. Except for notice of the occurrence of any Default or Event of Default required pursuant to ss.6.14 hereof, the Agent and the Banks shall be deemed to have received notice of any matter disclosed in the filings of the Parent with the United States Securities and Exchange Commission at the time such filing are delivered to the Banks.

ss.20. MISCELLANEOUS. The rights and remedies herein expressed are cumulative and not exclusive of any other rights which the Banks or Agent would otherwise have. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

ss.21. ENTIRE AGREEMENT, ETC. The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in ss.14.8. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or omission on the part of the Agent or any Bank in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrowers shall entitle the Borrowers to other or further notice or demand in similar or other circumstances.

ss.22. WAIVER OF JURY TRIAL. EACH OF THE BORROWERS HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, EACH BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE BORROWERS (a) CERTIFY THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY BANK OR THE AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH BANK OR THE AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (b) ACKNOWLEDGE THAT THE AGENT AND THE BANKS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY BECAUSE OF, AMONG OTHER THINGS, THE BORROWERS' WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

ss.23. GOVERNING LAW. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS (OTHER THAN THE INTERNATIONAL PLEDGE DOCUMENTS DEFINED IN THE SINTEL STOCK PLEDGE AGREEMENT) ARE CONTRACTS UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID COMMONWEALTH (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). THE BORROWERS CONSENT TO THE JURISDICTION OF ANY OF THE FEDERAL OR STATE COURTS LOCATED IN THE COMMONWEALTH OF MASSACHUSETTS IN CONNECTION WITH ANY SUIT TO ENFORCE THE RIGHTS OF ANY BANK OR THE AGENT UNDER

THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS.

ss.24. SEVERABILITY. The provisions of this Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement under seal as of the date first set forth above.

THE BORROWERS:

MASTEC, INC.

By: _____
Title: _____

B & D CONTRACTORS OF SHELBY, INC.
BURNUP & SIMS OF TEXAS, INC.
BURNUP & SIMS OF THE CAROLINAS, INC.
HARRISON-WRIGHT CO., INC.
UTILITY PRECAST, INC.
BURNUP & SIMS TELCOM OF FLORIDA, INC.
BURNUP & SIMS TSI, INC.
CHURCH & TOWER ENVIRONMENTAL, INC.
CHURCH & TOWER FIBER TEL, INC.
CHURCH & TOWER, INC.
CHURCH & TOWER OF FLORIDA, INC.
CHURCH & TOWER OF TN, INC.
DESIGNED TRAFFIC INSTALLATION CO.
GDSI, INC.
KENNEDY CABLE CONSTRUCTION, INC.
LATLINK CORPORATION
LATLINK ARGENTINA, INC.
MASTEC COMTEC OF CALIFORNIA, INC.
MASTEC COMTEC OF THE CAROLINAS, INC.
MASTEC TECHNOLOGIES, INC.
MASTEC TELEPORT, INC.
R.D. MOODY & ASSOCIATES, INC.
R.D. MOODY AND ASSOCIATES, INC. OF VIRGINIA
SHANCO CORPORATION
UTILITY LINE MAINTENANCE, INC.

By: _____
Title: _____

THE BANKS:

CREDITANSTALT-BANKVEREIN

By: _____
Title: _____

By: _____
Title: _____

FIRST UNION NATIONAL BANK OF FLORIDA

By: _____
Title: _____

THE SUMITOMO BANK, LIMITED

By: _____
Title: _____

By: _____
Title: _____

SCOTIABANC INC.

By: _____
Title: _____

THE FUJI BANK AND TRUST COMPANY

By: _____
Title: _____

COMERICA BANK

By: _____
Title: _____

LTCB TRUST COMPANY

By: _____
Title: _____

BANKBOSTON, N.A.,
individually and as Agent

By: _____
Title: _____

AGREEMENT

This AGREEMENT is entered by and between:

MASTEC, INC., a company organized and existing under the laws of the State of Florida, United States of America, with head office at 3155 N.W. 77th Avenue, in the city of Miami, State of Florida, United States of America, and/or any of its affiliated companies (hereinafter referred to as "MasTec"), and

INEPAR, S.A. - INDUSTRIA E CONSTRUCOES, a company organized and existing under the laws of Brazil, with head office at Av. Jusceline K. De Oliveira, no. 11.400, Cidade Industrial, in the city of Curitiba, State of Parana, Brazil (hereinafter referred to as "Inepar"),

(hereinafter jointly referred to as "Parties").

WHEREAS

This Agreement is based on the following:

- A. MasTec and Inepar executed an Agreement of Intent, dated May 17, 1997 (hereinafter referred to as "Agreement"), providing for the terms and conditions to organize a Brazilian corporation, with the purpose of operating in the Brazilian market of rendering of services for the introduction of telecommunication systems, and which stocks would be 100% (one hundred per cent) held by the Parties.
- B. Inepar, organized on June 26, 1997, a corporation under its control, named MasTec Inepar, S.A.- Sistemas de Telecomunicacoes, with head office at Avenida Jusceline K. De Oliveira, no. 11.400-CIC, in the city of Curitiba, State of Parana, Brazil, with acts of incorporation filed with the Most Worthy Commercial Registry of the State of Parana, Brazil, under no. 41300045739, in session held on July 01, 1997 (hereinafter referred to as ("Corporation")), in order that, in the future and in accordance with the Agreement, the Corporation carried out a capital increase to allow the admittance of the new stockholder MasTec (hereinafter referred to as "Capital Increase"), and as of the Capital Increase, referred to as "Newco"

Taking into consideration the terms of the Agreement of Intent and its mutual commitments stipulated herein, the Parties agree to execute this Agreement to be governed by the following clauses and conditions:

I - THE CORPORATION

1. The corporation capital is currently composed of 100,000 (one hundred)

common nominative stocks, in that Inepar holds 99.50% of its total capital:

1.1 Newco shall be a corporation governed by the provisions of its articles of organization (hereinafter referred to as "Articles of Organization") and by the applicable laws, in that all of its existing stocks and each and every stock to be issued in the future shall be subject to the terms and conditions of this Agreement.

2. Inepar transferred the Corporation all backlog - with the respective accounting on June 30, 1997 - of its agreement:

- (i) - PI 5148 with Telrj, dated June 30, 1996;
- (ii) - PI 5152 with Equitel, dated February 17, 1997;
- (iii) - PI 5153 with Telepar, dated March 11, 1997;
- (iv) - PI 5154 with Telepar, dated January 31, 1997;
- (v) - PI 5155 with Telesp, dated December 31, 1996;
- (vi) - PI 5156 with Telesp, dated December 31, 1996;
- (vii) - PI 5157 with Motorola, dated March 11, 1997;
- (viii) - PI 5158 with Telesp, dated May 30, 1997;
- (ix) - PI 5159 with Telesp, dated June 23, 1997;
- (x) - PI 5160 with Telepar, dated April 01, 1997, and
- (xi) - PI 5161 with Alcoa, dated June 20, 1997, (hereinafter jointly referred to as "Transferred Agreements").

Inepar shall also transfer the Corporation the Agreements which on the occasion of this Agreement are under negotiation with the customers:

- (i) Motorola - Telepar - South Region, valued estimated at US \$32,000,000.00 (thirty two million US dollars);
- (ii) Consorcio Globaltelecom - Band E. Value estimated at US \$100,000,000.00 (one hundred million US dollars) and
- (iii) Telepar - infrastructure for the conventional telephony, value estimated at US \$9,000,000.00 (nine million US dollars), (hereinafter jointly referred to as "Agreements to be Transferred").

The Transferred Agreements together with the Agreements to be Transferred represent a total backlog of approximately the equivalent in Brazilian currency to US \$370,000,000.00 (three hundred seventy million US dollars), in that the Agreements to be Transferred shall be automatically incorporated to Newco by Inepar on the occasion of their definite execution.

2.1 Inepar shall gear its best efforts with its customers to approve the transfer of the Transferred Agreements and of the Agreements to be Transferred to Newco. In the event the status of minority of Inepar in Newco causes any impediment for the presentation of the Agreements at Newco, the Parties shall consider, among others, the alternative to subcontract the purpose of the Transferred Agreements and of the Agreements to be Transferred to Newco and/or present Newco the Backlog - with the respective accounting - of other agreements or services for Inepar and/or of any of its subsidiary companies in order to perform the amount of the invoicing and respective margins of profitability which arise out of the agreements herein referred to above.

II. CAPITAL INCREASE

3. The Parties agree that at July 31, 1997 (hereinafter referred to as "capital increase date") Inepar, company's majority stockholder, will carry out a Special Stockholders' Meeting, recording its respective Minutes with the purpose of: (i) increasing the corporate's capital so as to allow the admittance of the new stockholder MasTec, (ii) transferring the head office of Newco from Curitiba (State of Parana) to Sao Paulo (State of Sao Paulo) and (iii) issuing new common stocks of Newco (the "Stocks"), which shall be subscribed and paid in by MasTec representing fifty-one per cent (51%) of Newco's total capital (hereinafter referred to as "Subscription"). The Subscription shall be preceded by the guarantee statements issued by Inepar pursuant to item iv hereof.

3.1 MasTec shall transfer, in cash the amount in Brazilian currency equivalent to us\$ 29,400,000.00 (twenty-nine million four hundred thousand US dollars) in order to pay up the Stocks. Such value shall be paid in eleven (11) installments in that the first installment shall be paid, at the Capital increase Date, in the value, in Brazilian currency, equivalent to US\$ 5,000,000.00 (five million US dollars), followed by ten (10) equal monthly installments in the value, in Brazilian currency, equivalent to US\$ 2,440,000.00 (two million four hundred forty thousand US dollars).

4. MasTec will pay Inepar, at the Capital Increase Date, a goodwill equivalent to two hundred fifty thousand (250,000) common stocks of MasTec and an option to acquire fifty thousand (50,000) additional common stocks of MasTec at the NYSE closing market price on May 16, 1997, for a term of up to ten (10) years.

5. Newco's stock composition, once the Subscription is carried out, will be fifty-one per cent (51%) of the stocks to MasTec and forty-nine percent (49%) of the stocks to Inepar, in order to allow the consolidation and merger of Newco results, in Brazil, in the accounting-financial structure of MasTec in the United States of America.

III - OPERATION CONDITIONS

6. On the Capital Increase Date, Inepar will provide and transfer to the Company all documents needed for the operation of the Corporation in the field of rendering of services of introduction of telecommunications systems.

7. After the Capital Increase Date, possible acquisitions of regional companies will be analyzed aiming for the best Brazilian market share; in that the first company to be analyzed for such purposes will be CIDE ENGEHARIA LTDA., with head office in the city of Curitiba, State of Parana, Brazil.

IV - GUARANTEES AND REPRESENTATIONS

8. Inepar states the following:

- (A) the legal existence and regular operation and functioning of the Controlled Corporation;
- (B) the validity and effectiveness of transferred Agreements and Agreements to be Transferred;
- (C) the nonexistence of any labor, fiscal or social security demand against the Controlled Corporation, and the nonexistence of any liens regarding the properties and assets of the Controlled Corporation;
- (D) the net equity position of Controlled Company is reflected in the balance sheet of the Capital increase Date, attached hereto as Annex 8 (D); and
- (E) the nonexistence of any liabilities or contingencies not disclosed in said Annex 8 (D).

V - NEWCO'S MANAGEMENT

9. After the Capital Increase date, the Parties agree that Newco shall have a Management Committee formed by up to five (5) members, among those it will necessarily be the President Director of Newco. The Management Committee shall be formed as follows: (i) one (1) member named Chairman, appointed by mutual agreement between the Parties; (ii) two (2) members simply named Committee Members appointed by MasTec; and (iii) other two (2) members simply named Committee Members appointed by Inepar. The powers of said Committee Members will be defined in the Articles of Organization.

9.1 In case of temporary impediment, the Chairman himself may appoint another Member to substitute for him, and in case of definitive vacancy the Parties will choose, by common agreement, another Chairman who will be in office until the end of the tenure.

9.2 In case of vacancy or definitive impediment of any Committee Member, the Party which has appointed said Member shall appoint a substitute who will complete the performance of the tenure of the substituted Member.

10. Newco shall have a Board of Directors formed by up to five (5) members as follows; (i) one (1) member named President Director appointed by mutual agreement of the Parties, who will also be necessarily appointed for one of the office of the Company's Management Committee; (ii) two (2) members named individually Executive Vice-President Director and Commercial Director appointed by President Director; (iii) one (1) member named Financial Managing Director appointed by MasTec; and (iv) one (1) member named Technical Director appointed by Inepar. The powers of said Directors will be defined in the Articles of Organization.

- 10.1 In case of vacancy or definitive impediment of any Director, the party or the President Director who appointed him, as the case may be, shall appoint a substitute who will end the tenure of the substituted Director.
- 10.2 Newco's President Director shall have all the necessary powers to carry out the Company's management.
- 10.3 In Newco's President Director absence, Executive Vice-President Director, jointly with any other Director, may perform the President Director's duties.
- 10.4 The Parties agree that, as stockholders of Newco, MasTec and/or Inepar, as the case may be, they may grant and assign a sole stock held by them to natural individuals who come to form the Management Committee of Newco, in order to comply with the legal demand related to the member of such board. The stocks then disposed of shall be encumbered in favor of the respective assignor stockholders. It is also agreed that, should any of said natural individuals fail to participate in Newco's Management Committee, the stocks shall be immediately assigned to the respective assignor stockholder, who will be fully in charge of such obligation fulfillment.

VI NOTICES

11. Any notices shall be given, as provided for herein, in writing, and will be effective upon its receipt, if sent by registered air mail, and in case the notice is sent by fax it will be effective when confirmed by the original copy sent via registered air mail, to the Party at the address indicated hereinbelow or at another address, as said Party may indicate, by means of written notice pursuant to the provisions of this Section.

To MasTec:	To Inepar:
Attention:	Attention: Di Marco Pozzo
Fax No.:	Fax No.: ++ 55 41 341 1414

VII - MISCELLANEOUS

12. This Agreement shall be effective for a period of ten (10) years as of the present date or, whenever observed that time limitation meanwhile no changes in the original share of Newco's stockholders occur, and in such case, if none of them delivers a notice informing about its determination not to consent with its renewal before the end of the ten-year term, this Agreement shall be renewed without any additional measure for an indefinite term.
 - 12.1 In case of decrease in Newco's original interests, the terms of this Agreement shall be reviewed.

13. The Parties may validate the obligations hereunder by specific performance or any other legal action, including claim for damages, to which they have the right, under the applicable laws.
14. The terms of this Agreement shall bind the parties to their respective successors or authorized assignees. No right or obligation shall be granted or assigned hereunder, by any of the Parties, without prior written consent of the other Party.
15. This Agreement represents the full agreement between the Parties regarding the matters discussed and shall prevail on all other prior related settlements, compromises, and documents. Any amendments, cancellation or renounce shall require a written document duly executed by the Parties.
16. This Agreement will be ruled by Brazilian laws. Any disputes which result from this Agreement shall be (first settled by arbitration), and then, if necessary, by the Courts of the city of Sao Paulo, State of Sao Paulo, excluding any other, no matter how privileged it may be.

IN WITNESS WHEREOF, the Parties execute this Agreement in three (3) counterparts before the two (2) undersigned witnesses.

Sao Paulo, July 21, 1997

MASTEC, INC.

By: _____ By: _____
Title: _____ Title: _____

INEPAR S.A. INDUSTRIA E CONSTRUCOES

By: Atilano De Oms Sobrinho By: Mario Celso Petraglia
Title: President Title: Vice-President

Witnesses:

By: _____ By: _____
RG: _____ RG: _____

"SIDE LETTER"

Without any detriment of the provisions of the AGREEMENT executed between:

MASTEC, INC., a company organized and existing under the laws of the State of Florida, United States of America, with head office at 3155 N.W. 77th Avenue, in the City of Miami, State of Florida, United States of America, and/or any of its affiliated companies (hereinafter referred to as "MasTec"), and

INEPAR, S.A. - INDUSTRIA E CONSTRUÇOES, a company organized and existing under the laws of Brazil, with head office at Av. Juscelino K. De Oliveria, no. 11.400, Cidade Industrial, in the city of Curitiba, State of Parana, Brazil (hereinafter referred to as "Inepar"),

the parties, shareholders of MASTEC INEPAR S/A - SISTEMAS DE TELECOMUNICACOES, have established herewith that the decisions related to the matters specified hereafter shall be invariably made by mutual agreement:

- a) Amendments to the Articles of Organization of MASTEC INEPAR S/A -SISTEMAS DE TELECOMUNICACOES related to:
- (i) changes to the corporate purposes which determine, directly or indirectly, amendments to the corporate purpose of products and services of the Corporation;
 - (ii) creation, amendment or extinction of types of shares or rights related to the stocks;
 - (iii) creation of beneficiary parties or debentures convertibles into stocks and/or that have interest in the profits, or of other securities which represent the interest in the capital and/or in the results of the Corporation or even securities which guarantee any rights of vote in the administration of the Corporation;
 - (iv) definition and/or amendment to the fiscal year of the Corporation;
 - (v) amendments to the policy of dividends distribution of the Corporation;
 - (vi) definition and/or amendment to the hypothesis of call of the Statutory Audit Committee as well as of the number of its members;
- b) - The following operational decisions:
- (i) dissolution, liquidation, bankruptcy, reorganization or suspension of the liquidation;
 - (ii) reorganizations of corporations, such as mergers or consolidations and others which cause the creation, amendment and replacement of stocks or other securities which represent the interest in the capital and/or in the results of the Corporation;

- (iii) sale, acquisition or taxation of interest in any company which competes with the Corporation or which capital also pertains to a competitor of the Corporation or that holds majority interest in any company;
- (iv) increase and/or reduction in the corporate capital of the Corporation;
- (v) manufacture of new products and/or beginning of new projects unrelated to the rendering of services of introduction of systems of telecommunications.

AGREEMENT

This AGREEMENT is entered by and between:

MASTEC, INC., a company organized and existing under the laws of the State of Florida, United States of America, with head office at 3155 N.W. 77th Avenue, in the city of Miami, State of Florida, United States of America, and/or any of its affiliated companies (hereinafter referred to as "MasTec"), and

INEPAR S.A. - INDUSTRIA E CONSTRUCOES, a company organized and existing under the laws of Brazil, with head office at Av. Juscelino K. de Oliveira, no. 11.400, Cidade Industrial, in the city of Curitiba, state of Parana, Brazil (hereinafter referred to as "Inepar"),

(hereinafter jointly referred to as "Parties").

WHEREAS

This Agreement is based on the following:

- A. MasTec and Inepar executed an Agreement of Intent, dated May 17, 1997 (hereinafter referred to as "Agreement"), providing for the terms and conditions to organize a Brazilian corporation, with the purpose of operating in the Brazilian market of rendering of services for the introduction of telecommunication systems, and which stocks would be 100% (one hundred per cent) held by the Parties.
- B. Inepar organized on June 26, 1997, a corporation under its control, named MasTec Inepar S.A. - Sistemas de Telecomunicacoes, with head office at Avenida Juscelino K. de Oliveira, no. 11.400-CIC, in the city of Curitiba, State of Parana, Brazil, with acts of incorporation filed with the Most Worthy Commercial Registry of the State of Parana under no. 41300045739, in session held on July 01, 1997 (hereinafter referred to as "Corporation"), in order that, in the future and in accordance with the Agreement, the Corporation carried out a capital increase to allow the admittance of the new stockholder MasTec (hereinafter referred to as "Capital Increase"), and as of the Capital Increase, referred to as "Newco".

Taking into consideration the term of the Agreement of Intent and its mutual commitments stipulated herein, the Parties agree to execute this Agreement to be governed by the following clauses and conditions:

I - THE CORPORATION

- 1. The corporation capital is currently composed of 100,000 (one hundred thousand) common nominative stocks, in that Inepar holds 99.50% of its total capital:
 - 1.1 Newco shall be a corporation governed by the provisions of its articles of organization (hereinafter referred to as "Articles of Organization") and by the applicable laws, in that all of its existing stocks and each and every stock to be issued in the future shall be subject to the terms and conditions of this Agreement.
- 2. Inepar transferred the Corporation all backlog - with the respective accounting on June 30, 1997 - of the following agreements:
 - (i) PI 5148 with Telerj, dated June 30, 1996;
 - (ii) PI 5152 with Equitel, dated February 17, 1997;
 - (iii) PI 5153 with Telepar, dated March 11, 1997;
 - (iv) PI 5154 with Telepar, dated January 31, 1997;
 - (v) PI 5155 with Telesp, dated December 31, 1996;
 - (vi) PI 5156 with Telesp, dated December 31, 1996;
 - (vii) PI 5157 with Motorola, dated March 11, 1997;
 - (viii) PI 5158 with Telesp, dated May 30, 1997;
 - (ix) PI 5159 with Telesp, dated June 23, 1997;
 - (x) FI 5160 with Telepar, dated April 01, 1997; and
 - (xi) PT 5161 with Alcoa, dated June 20, 1997, (hereinafter jointly referred to as "Transferred Agreements").

Inepar shall also transfer to the Corporation the Agreements which on the occasion of this Agreement are under negotiation with the customers:

- (i) Motorola - Telepar - South Region, value estimated at US\$ 32,000,000.00 (thirty two million US dollars);
- (ii) Consorcio Globaltelecom - Band B, value estimated at US\$ 100,000,000.00 (one hundred million US dollars) and
- (iii) Telepar - infrastructure for the conventional telephony, value estimated at US\$ 9,000,000.00 (nine million US dollars), (hereinafter jointly referred to as "Agreements to be Transferred").

The Transferred Agreements together with the Agreements to be Transferred

represent a total backlog of approximately the equivalent in Brazilian currency to US\$ 370,000,000.00 (three hundred seventy million US dollars), in that the Agreements to be Transferred shall be automatically incorporated to Newco by Inepar on the occasion of their definite execution.

- 2.1. Inepar shall gear its best efforts with its customers to approve the transfer of the Transferred Agreements and of the Agreements to be Transferred to Newco. In the event the status of minority of Inepar in Newco causes any impediment for the presentation of the Agreements at Newco, the Parties shall consider, among others, the alternative to subcontract the purpose of the Transferred Agreements and of the Agreements to be Transferred to Newco and/or present Newco the backlog - with the respective accounting - of other agreements or services of Inepar and/or of any of its subsidiary companies in order to perform the amount of the invoicing and respective margins of profitability which arise out of the agreements herein referred to above.

II - CAPITAL INCREASE

3. The Parties agree that at July 31, 1997 (hereinafter referred to as "capital increase date") Inepar, company's majority stockholder, will carry out a Special Stockholders' Meeting, recording its respective Minutes with the purpose of: (i) increasing the corporate's capital so as to allow the admittance of the new stockholder MasTec, (ii) transferring the head office of Newco from Curitiba (State of Parana) to Sao Paulo (State of Sao Paulo) and (iii) issuing new common stocks of Newco (the "Stocks"), which shall be subscribed and paid in by MasTec representing fifty-one per cent (51%) of Newco's total capital (hereinafter referred to as "Subscription"). The Subscription shall be preceded by the guarantee statements issued by Inepar pursuant to item iv hereof.

- 3.1. MasTec shall transfer, in cash, the amount in Brazilian currency equivalent to US\$ 29,400,000.00 (twenty-nine million four hundred thousand US dollars) in order to pay up the stocks. Such value shall be paid in eleven (11) installments in that the first installment shall be paid, at the Capital Increase Date, in the value, in Brazilian currency, equivalent to US\$ 5,000,000.00 (five million US dollars), followed by ten (10) equal monthly installments in the value, in Brazilian currency, equivalent to US\$ 2,440,000.00 (two million four hundred forty thousand US\$ dollars).

4. MasTec will issue to Inepar at the Capital Increase Date, in recognition of goodwill, two hundred fifty thousand (250,000) common stocks of MasTec and an option to acquire fifty thousand (50,000) additional common stocks of MasTec at the NYSE closing market price on May 16 1997 for a term of up to ten (10) years.
5. Newco's stock composition, as of July 31, 1997, will be fifty-one percent (51%) of the stocks to MasTec and forty-nine percent (49%) of the stocks to Inepar, in order to allow the consolidation and merger of Newco results, in Brazil, in the accounting-financial structure of MasTec in the United States of America.

III - OPERATIONAL CONDITIONS

6. On the Capital Increase Date, Inepar will provide and transfer to the Company all documents needed for the operation of the Corporation in the field of rendering of services of introduction of telecommunication systems.
7. After the Capital Increase Date, possible acquisitions of regional companies will be analyzed aiming for the best Brazilian market share; in that the first company to be analyzed for such purpose will be CIDE ENGENHARIA LTDA., with head office in the city of Curitiba, State of Parana, Brazil.

IV - GUARANTEES AND REPRESENTATIONS

Inepar states the following:

- (A) the legal existence and regular operation and functioning of the controlled Corporation;
- (B) the validity and effectiveness of Transferred Agreements to be Transferred;
- (C) the nonexistence of any labor, fiscal or social security demand against the Controlled Corporation, and the nonexistence of any liens regarding the properties and assets of the Controlled Corporation;
- (D) the net equity position of controlled Company is reflected in the balance sheet of the Capital Increase Date, attached hereto as Annex 8. (D); and
- (E) the nonexistence of any liabilities or contingencies not disclosed in said Annex 8. (D).

V - NEWCO'S MANAGEMENT

9. After the Capital Increase Date, the Parties agree that Newco shall have a Board of Directors formed by up to five (5) members. The Board of Directors shall consist of two (2) Directors appointed by MasTec, two (2)

by the Parties.

16. This Agreement will be ruled by Brazilian laws. Any disputes which result from this Agreement shall be firstly settled by arbitration, then, if necessary, by the Courts of the city of Sao Paulo, State of Sao Paulo, excluding any other, no matter how privileged it may be.

IN WITNESS WHEREOF, the Parties execute this Agreement in three (3) counterparts before the two (2) undersigned witnesses,

Sao Paulo, July 21, 1997

MASTEC, INC.

/s/ Edwin D. Johnson
By: Edwin D. Johnson
Title: Senior Vice President and
Chief Financial Officer

/s/ Ismael Perera
By: Ismael Perera
Title: Senior Vice President

INEPAR S . A. INDUSTRIA E CONSTRUÇOES

/s/ Atilano de Oms Sobrinho
By: Atilano de Oms Sobrinho
Title: President

/s/ Mario Celso Petraglia
By: Mario Celso Petraglia
title: Vice-President

Witnesses:

/s/ Kalil Cury Filho
Name:
RG:

Name:
RG:

Exhibit 21.1

Set forth below is a list of the significant subsidiaries of the Company.

Burnup & Sims of Texas, Inc.
Burnup & Sims Telcom of Florida, Inc.
Church & Tower, Inc.
Church & Tower Fiber Tel, Inc.
Church & Tower of TN, Inc.
Harrison-Wright Co., Inc.
Kennedy Cable Construction, Inc.
LatLink Corporation
MasTec ComTec of California, Inc.
MasTec ComTec of the Carolinas, Inc.
MasTec International, Inc.
MasTec Technologies, Inc.
R.D. Moody & Associates, Inc.
Shanco Corporation
Sistemas e Instalaciones de Telecomunicacion, S.A.
Aidco, Inc.
B&D Contractors of Shelby, Inc.
C & S Directional Boring, Inc.
E.L. Dalton & Company, Inc.
M. E. Hunter & Associates, Inc.
Phasecom Systems, Inc.
Weeks Construction Company
Wilde construction, Inc.
MasTecInepar S/A Sistemas de Telecomunicacoes

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No. 333-55327) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-3 (No. 333-46067) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicaci6n, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-4 (No. 333-30645) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-4 (No. 333-46361) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-4 (No. 333-9607) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No. 333-22465) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No. 333-30647) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No. 333-7003) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-3 (No. 333-11013) of our report dated February 25, 1998, on our audit of the consolidated financial statements of Sistemas e Instalaciones de Telecomunicacion, S.A. (Sintel) and subsidiaries as of December 31, 1997 and for the year then ended, which report is incorporated by reference in this Annual Report on Form 10-K.

ARTHUR ANDERSEN LLP
Madrid, Spain
March 27, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No.333-22465) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No.33-55327) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-3 (No.333-11013) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-3 (No.333-30645) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No.333-47003) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-4 (No.333-46361) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-3 (No.333-46067) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No.333-30647) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-4 (No.333-9607) of our report dated March 10, 1998, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996, and 1995, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 30, 1998

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	1.25	

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0000015615
 MasTec, Inc.
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