

UNITED MEXICAN STATES)
FEDERAL DISTRICT)
CITY OF MEXICO) SS:
EMBASSY OF THE UNITED STATES)
OF AMERICA)

Manav Jain
Vice Consul

Before me, _____, Consul of
the United States of America at Mexico, D. F., Mexico, duly commissioned and
qualified, personally appeared Alicia Coquet
who, being duly sworn deposes and says as follows:

- (1) My name is Alicia Coquet
and I reside at Mexico city, Rosedal 77.301
- (2) I have been familiar with the English and spanish
languages for the past 40 years, I made the annexed translation from
spanish to English. The said translation is to the best of my
knowledge and belief a true and exact translation of the original document.

And further deponent saith not.

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Alicia Coquet

Subscribed and sworn to before me this _____ day of DEC 16 2002 2000.

For the contents of the annexed document I assume no
responsibility.

[Signature]
Consul of the United States of
America

**THE U.S. EMBASSY ASSUMES NO RESPONSIBILITY FOR
THE TRUTH OR FALSITY OF THE REPRESENTATIONS
WHICH APPEAR IN THIS (OR, ANNEXED) DOCUMENT**

Manav Jain
Vice Consul

PRESIDENTIAL COMMISSIONS ARE PERMANENT

PUBLIC RELATIONS SERVICE PROVISION CONTRACT ENTERED INTO BY BBVA – BANCOMER SERVICIOS, S.A., MULTIPLE BANKING INSTITUTION, BBVA FINANCIAL GROUP – BANCOMER FIDUCIARY OFFICE IN ITS CAPACITY AS FIDUCIARY INSTITUTION IN TRUST FUND NUMBER 30343-8 REFERRED TO AS JOINT TOURISM PROMOTION FUND OF THE FEDERAL DISTRICT HEREINAFTER REFERRED TO IN THIS CONTRACT AS “THE FUND”, REPRESENTED BY DOCTOR JULIA RITA CAMPOS DE LA TORRE AND MISTER CARLOS MACKINLAY GROHMANN, IN THEIR CAPACITY OF CHAIRMAN AND TECHNICAL SECRETARY OF THE TRUST FUND’S TECHNICAL COMMITTEE RESPECTIVELY, AS WELL AS SPECIAL AGENTS AND KAREN WAINER ESCALERA ASSOCIATES INC., HEREINAFTER REFERRED TO IN THIS DOCUMENT AS “KWE”, REPRESENTED BY MS. KAREN WEINER ESCALERA, IN HER CAPACITY OF FOUNDER AND CHAIRMAN OF THE BOARD OF DIRECTORS AND LEGAL REPRESENTATIVE, IN ACCORDANCE WITH THE FOLLOWING BACKGROUND INFORMATION, STATEMENTS AND CLAUSES:

BACKGROUND INFORMATION

- A) On 16 November 1998, the trust fund contract contained in records as “THE FUND” number F/30343-8 was executed, called “Joint Tourism Promotion Fund of the Federal District”, awarded by the Finance Bureau of the Government of the Federal District, in its capacity as founder of the Trust Fund.
- B) The aforementioned trust fund’s purpose is to support the development and implementation of programs to foster and improve tourism in Mexico City, through the production and dissemination of national and international tourism promotion campaigns, by means of national and international mass media.
- C) Pursuant to the Federal District Procurement Act, articles 26, 27, subsection C and 54 section IV, after discussing the suppliers’ proposals, “THE FUND” considered that “KWE” was the best choice to fulfill the obligations contained in this contract, thus this contract was directly awarded to this firm.
- D) That it has adequate budget to cover the expenses derived from this contract in accordance with the authorization of the trust’s Technical Committee issued during its Seventh Special Session through agreement FMPT-DF/o2-07-01/189, dated 2 June, 2001.

Based on the aforementioned general background, parties agree to the following:

STATEMENTS

- I.- **“THE FUND”:**
- I.1.- Is a legally established credit institution to act as a Fiduciary Institution pursuant to the legislation of Mexico.
- I.2.- That its special agents are duly empowered to enter into this contract as accredited by Notarial Testimony number 106075 (one hundred and six thousand and seventy-five) dated two April two thousand and one, granted in the presence of Mr. Ignacio Soto Borja y Anda, Notary Public number 129 (one hundred and twenty nine) of the Federal District, which to date has not been revoked, modified or limited in any way.
- I.3.- That on 16 November 1998, the trust fund called “Joint Tourism Promotion Fund of the Federal District” was established in order to promote, foster and improve

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tourism in Mexico City, through the production and dissemination of national and international promotion and advertising campaigns.

- I.4.- That the body referred to as Technical Committee represents the "Joint Tourism Promotion Fund of the Federal District".
- I.5.- That it appears to entering into this contract pursuant to clauses five subsections e), f), and h) and eight of the Trust Fund contract referred to in subparagraph A of the background information contained in this instrument and in accordance to the instructions and authorization of the Technical Committee contained in subparagraphs C and D of the background information.
- I.6.- That it is domiciled in Avenida Universidad number 1200, Colonia Xoco, Delegación Benito Juárez, Zip Code 03339, Mexico, Federal District.
- II.- "KWE":
 - II.1.- Is a legally established United States Corporation, in accordance with New York State legislation, as accredited in the "Certificate of Incorporation" number A750308, issued by that state's Department of State on 25 March 1981, in which its establishment and incorporation is legitimized in that state. A plain copy of this instrument is attached as part of **Annex One**.
 - II.2.- That its legal representative, Ms. Karen Weiner Escalera, in her capacity as Founder and Chairman of the Board of Directors, is legally empowered to enter into this contract in accordance with the provisions of the detailed document in the aforementioned statements and that her powers have not been revoked or modified to date, identifying herself in this act with Passport number 154286211, issued by the government of the United States of America.
 - II.3.- That she is duly registered as a tax payer in the United States of America under code 13-3066591, in addition to having paid all the appropriate taxes in the above country, certified with the "Tax Status Report" issued by the Department of Finances of New York City, which is attached to this contract as **Annex Two**.
 - II.4.- That her social purpose is to provide public relations services in general, undertaking comprehensive communication and press activity and entering into contracts leading to their implementation.
 - II.5.- That she has the legal and management capacity, components, expertise, experience, infrastructure and specialized staff to conduct the services contained in this contract.
 - II.6.- That for the purposes of article 47 section XXIII of the Federal Civil Servants Accountability Act, its legal representative states under oath of truth, that it is not disqualified to deliver the services under the contract herein. It also states under oath of the truth that it is not under any of the assumptions of article 39 of the Procurement Act of the Federal District.
 - II.7.- That for the purposes of this contract, it is domiciled in 125 Maiden Lane, 3rd Floor, New York, NY 10038, U.S.A.
- III.- "THE PARTIES"

SOLE STATEMENT.- That it is their will to enter into this Public Relations Services Provision Contract, thus all representatives have all the necessary legal powers, which have not been revoked, restricted or modified in any way, and therefore, the parties bind themselves in accordance to the following:

CLAUSES

ONE. Purpose.- The purpose of this contract is that "KWE" will provide specialized public relations services to "THE FUND" in addition to representing it in the United States of America and Canada, through the production of tourism campaigns and strategies allowing for the identification and contact of "THE FUND" and its campaigns in the aforementioned countries.

TWO. In order to comply with the provisions of this contract contained in the above clause, "KWE" is committed to provide all public relations and representation services, in the places, ways and specifications contained in **Annex Three** herein, in addition to the provisions contained in the presentation made before the "FUND'S" Technical Committee, from which the document herein is derived. Any change, in terms or condition of this contract or contracting additional services will be mutually agreed to by the parties prior to delivering such services.

THREE. Amount.- For the services mentioned in clauses one and two of this document, "THE FUND" will pay "KWE" the amount of **\$4,672,834.12 (Four million six hundred and sixty-two thousand, eight hundred and thirty four pesos 12/100 Mex. Cy.) including the appropriate taxes (USD\$511,005.00, amount equivalent in American dollars according to the rate of exchange of \$9.1444 per dollar) which will be paid in four monthly payments of \$1,168,208.53 (One million one hundred and sixty-eight thousand two-hundred and eight pesos 53/100 Mex. Cy.) including the appropriate taxes. (USD \$127,751.25, amount equivalent in American dollars according to the rate of exchange of \$9.1444 per dollar) each.** The above is in accordance with the provisions contained in Annex Four of this instrument and payable within five days after "THE FUND" receives the satisfactory report of the work presented by "KWE", prior presentation and authorization of reports and assessments referred to in clause five of this contract.

Since "KWE" is a legally established Corporation pursuant to the legislation of the State of New York, in the United States of America, the aforementioned payments will be made in US dollars, respecting at all times the rate of exchange to pay debts in foreign currency, as published by the Bank of Mexico in the Federal Official Gazette on the date of payment.

In connection with production expenses as well as all those produced for delivering the contracted services, "KWE" commits itself to send duly based evidence with suppliers' invoices that must be issued to "KWE" or "THE FUND". The expenditure of resources must be proven within 60 natural days after the implementation of each project. "THE FUND" reserves the right to reject any invoice or proof of expenses that are not clearly reported and approved previously.

As regard to travel expenses of "KWE" staff that because of meetings summoned by "THE FUND" must travel to Mexico City or any other city, "KWE" commits itself to observe rationality and austerity measures of the authorized travel expenses.

As to journalists familiarization trips, to the extent possible, "KWE" shall make the necessary arrangements to obtain airplane tickets and will consider their purchase in accordance with the Economic Proposal, trying as much as possible to obtain them via sponsorship or courtesy of airline carriers. "THE FUND" will pay for food, local transportation and tourist guides expenses, and will seek to obtain complimentary hotel rooms.

The above expenses will be previously and later awarded in writing, thus "KWE" must prove their use, in addition to submitting a report of activities undertaken related with the committed program. "THE FUND" will not pay for "KWE" staff airplane tickets for any other reason.

In the event an excessive payment is made, "KWE" shall reimburse it to "THE FUND" with the appropriate interests, at the time payment is demanded.

FOUR.- "THE FUND" must pay "KWE" the sum referred to in the previous clause, payable when invoices or vouchers covering the payment of such activities are received, provided that the such services are delivered at "THE FUND'S" full satisfaction, as provided for in Clause Thirteen of this contract.

FIVE.- "KWE" commits itself to hand in to "THE FUND" all reports and assessments contained in Annex Five and in accordance with the specifications provided for in such document. Default will result in retaining the appropriate payment by "THE FUND", without detriment of the provisions in the instrument herein and without any responsibility on the part of "THE FUND".

Reports and assessments mentioned in the above paragraph must be delivered to the incumbent of the area referred to in clause thirteen of this contract, so that such area will issue the appropriate ruling.

SIX. - Reception of work.- Reception of work contained in this instrument, will always be at "THE FUND'S" satisfaction who reserves the right to claim the undelivered work or that expectations jointly determined by "THE FUND" and "KWE" were not met, provided that this work is the result of the exclusive performance of "KWE" and/or its subcontractors. In this case "KWE" will have a five working days term to correct any mistake.

SEVEN: "KWE" will take any possible precaution to protect the property of "THE FUND" under its custody, but is not liable for damages to that property except in the case of negligence on its part regarding their care. "KWE" is not accountable for damages to any property under the custody or control of third parties, provided that "THE FUND" has been notified of such fact. All material produced pursuant to this instrument and of which "THE FUND" will cover its cost, will be the property of "KWE" until costs, expenses and fees incurred in the preparation of such material has been fully paid.

EIGHT. Duration.- Both parties agree that this contract will enter into effect on 01 September, 2001, committing themselves to deliver to "THE FUND" the work completed at full satisfaction on 31 December 2001 at the latest. The duration of this instrument will terminate on this date.

In the event "KWE" does not deliver the work referred to in this contract in accordance with its terms, "THE FUND" can administratively cancel this contract and claim the payment of damages incurred.

NINE.- "THE FUND" will take full and sole responsibility to authorize and approve the dissemination of all information and material issued to it, provided that it has previously requested and approved it. In addition, it will take full and sole responsibility for the accuracy, comprehensiveness and legal conformity of all information it provides or authorizes for the use of "KWE".

TEN.- "KWE" shall compensate "THE FUND" against all and any loss, obligations, damages, law suits, transactions, sentences, legal costs and expenses including attorney's fees, incurred as a result of any libel law suit, whether oral or written, infringement of copyrights, infringement of trademark, infringement of business indemnity, unfair competition, undue appropriation of ideas, provoked emotional stress, infringement of the right for privacy or advertising based on the work produced for it by "KWE" contained in this instrument. The above provision will not be enforced for any law suit or claim filed by agents, employees or contractors hired by "THE FUND". "THE

FUND agrees to compensate **KWE** against all and any damage resulting from any law suit or claim based on the use of the material that has been previously authorized and delivered to **THE FUND** or any of its employees, agents or contractors hired by the latter.

ELEVEN.- In the event that during the duration of this contract, the hiring or outsourcing of third parties on the part of **KWE** is advisable, it must be undertaken prior authorization in writing of **THE FUND**. **KWE** shall pay any expense derived, prior study and authorization of such hiring.

TWELVE.- **KWE** shall be responsible for the expenses and payments resulting from fees for any third party, as well as the total payment or rights derived from the provision of services, thus in this document, **THE FUND** is free from any responsibility incurred in this matter.

THIRTEEN. Supervision.- **THE FUND** shall be empowered to verify at any time, if the work referred to in this contract is being undertaken by **KWE**, in accordance with the agreed terms or instructions it has received, if this is not the case, **THE FUND** shall proceed to administratively cancel the contract or demand from **KWE** its fulfillment. For this purpose, **KWE** agrees to authorize **THE FUND** to conduct, through the hiring of an external service covered by **THE FUND** to carry out an evaluation when **THE FUND** so desires, of the results obtained by **KWE** in the delivery of its services. To this end, the latter must provide all information requested by such provider or firm.

For the purpose of liaison and coordination between the parties, **THE FUND** will appoint the Director General of the Institute of Tourism Promotion of the Federal District, a deconcentrated agency under the Bureau of Tourism of the Federal District Government to be empowered to coordinate the operation of **THE FUND** pursuant to article 144, section IV of the By-laws of the Federal District's Public Administration. This position is currently held by Mr. Carlos Mackinlay Grohmann.

FOURTEEN. Responsibilities.- **KWE** is fully responsibility for the infringements that might emerge for copyrights or patents due to the provision of services under this contract, in addition, **THE FUND** will be responsible for the infringements to copyrights derived from the use of materials provided by **THE FUND**.

FIFTEEN. Termination.- **THE FUND** may temporarily or permanently terminate the hired services through this contract and the resulting payment at any time, when due to general interests or warranted causes occur, prior notification made to **KWE** with 15 natural days in advance.

SIXTEEN.- Contractual Acknowledgement.- This contract is an agreement between the parties relative to its purposes and cancels any other negotiation, obligation or communication between the parties, whether verbal or in writing before the date in which this contract is signed.

SEVENTEEN.- **KWE** as businessman and employer of the staff employed to conduct the work mentioned in this contract, will be solely responsible of the obligations derived from legal provisions and other labor and social security regulations, thus agrees to account for all claims its workers files against it or against **THE FUND** related to the services referred to in this contract.

EIGHTEEN.- Both parties express that in entering into this contract there is no consent defect.

NINETEEN. Assignment of rights and duties.- **KWE** will not assign its rights and duties contained in this contract to third individuals or firms, as well as the collection rights for the delivery of services under this contract, without previous verbal and in writing approval of **THE FUND**.

TWENTY. Amendments.- Any amendment or change to the terms and conditions agreed to in this contract must be provided for in writing.

TWENTY-ONE. Exclusive rights.- All work and products generated according to the content of this instrument will be the exclusive property of **THE FUND**, and under any reason can **KWE**

make use or profit for itself or a third party, from the material or that material owned by "THE FUND" and provided to "KWE" for the purpose of implementing this instrument.

TWENTY-TWO. Conventional Penalties.- "THE FUND" provides for a conventional penalty to be paid by "KWE" for 0.5% of the total amount of the contracted services, for each natural day of delay in providing any of the services, for causes imputable to "KWE", to a maximum of 10 natural days and this sum will be subtracted from the appropriate invoice without the need of any court order.

TWENTY-THREE. Cancellation of the Contract.- Both parties agree that the causes for cancellation without court order are the following:

- a) When the services contained in this contract are not delivered by "KWE" on the agreed time period or at the full satisfaction of "THE FUND".
- b) Because "KWE" does not adhere to the provisions of this contract.
- c) Because "KWE" no longer delivers the services without justifiable cause.
- d) Because of breach of statements II.6 of this instrument.
- e) Default on the part of "KWE" of any the duties provided for in this contract.

In the event of default or infringement on the part of "KWE" to any of the duties here contained, "THE FUND" may chose to demand its compliance or state its administrative cancellation, in addition to enforcing the conventional penalties.

TWENTY-FOUR. Cancellation Procedure.- When "THE FUND" determines the justifiable administrative cancellation of the contract, the appropriate decision shall be sent in writing to "KWE", expressing the reasons for doing so, within five business days as of the date the cancellation notification is received, will express what is advisable. In this case "THE FUND" shall solve accordingly, within five business days after the date it receives de answer from "KWE".

TWENTY-FIVE. Guarantee.- Based on article 73, section III of the Federal District's Procurement Act , in order to ensure the fulfillment of duties contained in this instrument, "KWE" grants a Bond to BBVA – Bancomer Servicios, S.A., Multiple Banking Institution, BBVA Financial Group - Bancomer Fiduciary Office in its capacity of Fiduciary Institution in Trust Fund Number 30343-8 referred to as Joint Tourism Promotion Fund of the Federal District for a sum equal to 10% of the total amount of this instrument, which can only be cancelled through the prior and express authorization in writing of "THE FUND" , once "THE SERVICE PROVIDER" has met all its contractual obligations. The plain copy of the policy is attached to this contract as **ANNEX SIX**.

TWENTY-SIX. Jurisdiction.- Both parties agree that as regards to everything associated with the construance, fulfillment and execution of this contract, in the event a dispute between the parties arises, first they will try to settle it through discussion and negotiation, but in case this procedure does not lead to favorable results, both parties accept expressly, that for any law suit based on or related to this contract, they will subject themselves to the jurisdiction of appropriate Courts in the Federal District, waiving any other jurisdiction that might correspond to them because of their current or future domicile.

Read by both parties who in this contract are involved and knowledgeable of its content, scope and legal force, they sign it in accordance on **ON THE MARGIN AND UNDER** on all its pages by triplicate in Mexico City, three September, two thousand and one.

"KWE"

**MS: KAREN WEINER ESCALERA
FOUNDER AND CHAIRMAN OF
THE BOARD OF ADMINISTRATION**

"THE FUND"

**DR. JULIA RITA DE LA TORRE
CHAIRMAN**

**MR. CARLOS MACKINLAY
GROHMANN
TECHNICAL SECRETARY**

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