

#5603

SERVICES AGREEMENT TO CARRY OUT A COOPERATIVE ADVERTISING CAMPAIGN ENTERED INTO BY AND BETWEEN BBVA BANCOMER SERVICIOS, S.A INSTITUCIÓN DE BANCA MÚLTIPLE GRUPO FINANCIERO BBVA BANCOMER, DIRECCIÓN FIDUCIARIA, AS TRUSTEE OF THE FIDEICOMISO F/43654-3 OF THE PROGRAM OF TOURIST PROMOTION OF THE STATE OF MICHOACAN, REPRESENTED BY HIS FIDUCIARY DELEGATE MR. MARIO ALBERTO RIZO SUAREZ, AS TRUSTEE IN THE TRUST F/43654-3, HEREINAFTER REFERRED TO AS "FIPROTUR" AND, YOUNG & RUBICAM, S. DE R.L. DE C.V., REPRESENTED BY MANUEL ARELLANOS RIOS AS ITS LEGAL REPRESENTATIVE, HEREINAFTER REFERRED TO AS THE "AGENCY", IN ACCORDANCE WITH THE FOLLOWING STATEMENTS AND CLAUSES:

STATEMENTS

- I. FIPROTUR hereby states through its legal representative that:
- a) On November 15, 2001, the Congress of the State, issued the legislative decree number 187, by which article 30 was modified and articles 18 to 25, all of the Law of Finance of the State of Michoacán de Ocampo were added, with the purpose of establishing the Lodging Services Tax in the State, which decree was published in the Official Gazette of the State of Michoacán de Ocampo number 35, volume CXXVII, dated December 31, 2001, effective as of January 1, 2002.
 - b) The State Executive Branch, ordered the execution of a trust agreement with the participation of the presidents of the Asociación de Hoteles y Moteles del Estado de Michoacán, A.C. and the seven Regional Associations incorporated in the State, in order for the trust to have the most ample representation of the lodging services suppliers.
 - c) As a consequence of the above, on January 31, 2002 the Government of the State of Michoacán de Ocampo and BBVA Bancomer Servicios S.A, Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, Fiduciary Division, entered into a Trust Agreement F/43654-3.
 - d) According to clause V section C of the Trust Agreement F/43654-3 above mentioned, the trustee will make all the legal and material actions for the purposes foreseen in the Trust Agreement F/43654-3 of the Program of Tourist Promotion of the State of Michoacán.

INSTITUCIÓN DE BANCA MÚLTIPLE GRUPO FINANCIERO BBVA BANCOMER

- e) It knows the scope of this Agreement, has considered all the factors involved in its execution and has all the financial resources for the expenses derived from the same, pursuant to the trust agreement.

II. The Agency hereby states through its legal representative that:

- a) It is a limited liability company duly incorporated and validly existing under the Mexican laws, as evidenced in public deed number 16,314 dated December 14, 1966, granted before Mr. Jorge Sotelo Regil, Notary Public number 108 of the Federal District, duly registered in the Public Registry of Commerce of the Federal District, under number 154, page 120, volume 650, third book.
- b) Manuel Arellano Ríos is duly authorized to represent it, as evidenced in public deed number 49,722 dated April 28, 2003, granted before Mr. Roberto Nuñez y Bandera, Notary Public number 1 of the Federal District, which authority has not been revoked or limited in any manner.
- c) Its main purpose is to perform directly or indirectly all kind of activities related with advertisement and all types of advertisement for individuals or entities whether public or private through the means it considers appropriate.
- d) On September 12, 2003 it entered into the Services Agreement No. 062/2003 (hereinafter the "CPTM Agreement") with the Consejo de Promocion Turistica de México, S.A. de C.V. (hereinafter the "CPTM") by which the Agency undertook the provision of advertising services to promote Mexico's attractions and tourist services within the markets of the United States and Canada.
- e) Pursuant to the CPTM Agreement and the bid documents from which it derived, the Agency is authorized to follow a cooperative advertising program with different participants in the tourism sector.
- f) It guaranteed the fulfillment of its obligations under the CPTM Agreement, through the granting of a bond, which as evidenced in the record attached to this agreement as **Exhibit 1**, was duly filed before the CPTM.
- g) It knows the scope of this agreement, has considered all the factors involved in its execution and has all the authorizations, and the material and human elements necessary for the compliance of each and every obligation contained herein.
- h) That its Taxpayers Registration Number is YRU-661214-8GA.

III. Both parties hereby state, through their legal representatives that:

- a) it is their will to bind themselves pursuant to the terms and conditions provided in this Agreement and its Exhibit:

CLAUSES

FIRST. Purpose. By virtue of this agreement, and as a result of the CPTM Agreement, FIPROTUR and the Agency hereby agree to carry out a cooperative advertising campaign consisting in the purchase of media and placement of advertisement, in order to promote the tourist attractions of the State of Michoacán de Ocampo, Mexico, in the United States of America and Canada (the "Campaign"), pursuant to the specifications and timeline provided in the media plan attached hereto as **Exhibit 2**.

Said **Exhibit 2** may be modified at any time, prior consent of the parties, such consent may be granted in writing, via fax or e-mail.

The parties agree that the Campaign will comply with the terms and conditions provided for in the cooperative advertising program contained in the CPTM Agreement referred to in the statement II D) above mentioned.

The total cost of the Campaign agreed to by the parties is US\$250,000.00 (two hundred and fifty thousand dollars of the United States of America).

SECOND. Participation Mechanism. The parties agree that the Agency will be responsible of the purchase of media and placement of advertisement for the Campaign.

For the above mentioned purposes, FIPROTUR shall deliver to the Agency, within the three working days following the signature of this agreement, the amount that corresponds to FIPROTUR in terms of clause third below. The financial resources contributed by the parties for the performance of the Campaign can only be used for such purposes.

Additionally, FIPROTUR shall pay to the Agency, in consideration for the purchase of media and placement, an amount equal to 10% (ten percent), of the amount that FIPROTUR is required to contribute in terms of clause third below, being the Agency authorized to withhold such percentage from the amounts that FIPROTUR delivers to the Agency for the purchase of media and placement in accordance with the terms of this clause. This amount will be delivered to Y&R along with the amount referred to in the above mentioned paragraph.

THIRD. Financial Resources. The investment that The Agency will contribute for the fulfillment of the purpose of this agreement is the amount of US\$125,000.00 (one hundred and twenty five thousand dollars legal currency of the United States of America), which amount includes all the corresponding taxes.

On the other hand, the investment that FIPROTUR will contribute for the fulfillment of the purpose of this agreement, which does not include the 10% (ten percent) commission or the taxes referred to in the last paragraph of the second clause above, is the amount of US\$125,000.00 (one hundred and twenty five thousand dollars legal currency of the United States of America).

FOURTH. Tax Obligations. Each of the parties undertakes to comply with its corresponding individual tax obligations, releasing the other party of any liability in this matter.

FIFTH. Intellectual Property. The parties agree that the use they may make of the trademark "MEXICO" in the articles, messages, communications and any other materials that may become a part of the Campaign will be in compliance with the guidelines set forth in the CPTM Agreement. Likewise, the Agency will include the image and presence of the trademarks, slogans, logos, or other information agreed in writing with FIPROTUR pursuant to the terms agreed, and that it receives from FIPROTUR with at least one month of anticipation. It has been agreed that the execution of the present agreement does not constitute any license or authorization for the use or exploitation of the trademark or legend "MEXICO" or any other granted by FIPROTUR to the Agency, in terms other than as expressly provided for this agreement.

FIPROTUR shall be responsible for obtaining the authorization for the use of any materials such as photographs, logos, trademarks, or any other items protected under the applicable industrial property laws, other than the trademark "MEXICO", that may be delivered to the Agency to be used in the Campaign. FIPROTUR shall also keep the Agency safe and harmless from any complaint or judicial proceeding initiated by a third party against the Agency with respect to this matter, and shall indemnify the Agency from any loss and/or damages that FIPROTUR's breach may bring upon the Agency, as well as reimburse all expenses incurred by the Agency in the legal defense undertaken for this reason.

The Agency will not be bound to publish or to promote any material that is in opposition to the legal norms, rules, and regulations applicable to advertising or to good customs or to morality.

SIXTH. Evidence. The Agency is obliged to present to FIPROTUR copy of all the evidence that it delivers to the CPTM in connection with this agreement. This delivery will be performed within the five working days that follows to the date in which the Agency made such delivery.

Evidence shall mean for purposes hereof the following: (i) in printed media, a copy of the magazines, newspapers or publications; (ii) in radio, the logs or transmission reports; (iii) in television, the affidavits or transmission reports; (iv) in internet, ad-serving of prints (ad-views and clicks) placed in a binder and an electronic version placed in a CD with the banners developed for the campaign by creative, size and

languages, as well as screen shots of the banners as evidence of the placement of the portals; (v) in the event of billboards, exterior advertising and bus advertising, pictures of each one taken at the place where they are located or a picture of each billboard with the corresponding affidavit that attests to the places where they are located according the commercial practice of the corresponding location; (VI) invoices of the purchased services and, in all events, (VII) any other evidence accepted or requested by the CPTM.

SEVENTH Labor Obligations. Due to the nature of this Agreement, the parties agree that there are no conditions of subordination or labor relationship between FIPROTUR and the Agency or any of its employees.

EIGHTH. Nature of the Agreement. The parties agree that the terms and conditions hereof do not have the purpose or effect of creating a joint venture, merger, corporation or corporate association between the Agency and FIPROTUR. Likewise, this agreement does not exclusively bind the parties to each other, therefore, each of the parties will not assume, in the name and/or on behalf of the other, any obligation or engagement, unless it has the express written authorization of the other party for that purpose.

Notwithstanding the above mentioned, the parties agree that the Agency will be authorized to contract or execute any kind of operation, business or association with any commercial partner, "tour operator", travel agency or any other person for similar purposes of this agreement, and to improve or extend the purposes of this agreement, always with the authorization in advance of FIPROTUR.

NINTH. Assignment of Rights. The parties undertake not to assign to third parties the rights and obligations conferred to them hereof, without the prior written authorization of the other party.

TENTH. Confidentiality. The parties agree that all the information created and/or exchanged between them as a result of this Agreement, shall be considered as strictly confidential, and the parties agree not to disclose it to third parties.

ELEVENTH. Duration. This Agreement will be in force from June 15, 2004 until December 31, 2004.

ELEVENTH. Advanced Termination. In the event that one of the parties decides to cancel this Agreement for any cause unrelated to the other party, it will so notify to the other party at least 5 (five) working days in advance to the date of the effective termination of the agreement. As from the date of notification, the party that is not terminating the agreement will be authorized to suspend immediately the fulfillment of its obligations without any responsibility.

In the event that the termination is requested by FIPROTUR, FIPROTUR shall reimburse the Agency on the date the termination notice is delivered, any and all

contributions made by the Agency to the Campaign in connection with this agreement, as well as any expenses incurred and to be incurred in connection hereof including the payment of any damages, losses, penalties, fines, losses, costs or charges that the Agency may be required to pay under the CPTM Agreement and all those derived of any agreement, operation, business or association executed under clause seventh above. In the event that FIPROTUR does not comply with the corresponding payment in the above mentioned terms FIPROTUR shall pay to the Agency, in addition to the amounts herein described, a penalty fee consisting in the equivalent to 10% (ten percent) of the unpaid balance on a monthly basis until payment in full.

THIRTEENTH. Administrative Termination. In the event that FIPROTUR considers that the Agency has incurred in a breach of any of its obligations contained in this agreement, FIPROTUR shall notify in writing such situation to the Agency, explaining clearly in what consists the breach. From the date of notification, the Agency shall have a term of ten working days to cure its breach, in case that the same has existed. If the breach existed and if the same is not cured within this term, FIPROTUR will be allowed to terminate the contract without the need of judicial resolution. If the Agency considers that there was no breach, the Agency shall notify it to FIPROTUR and the parties shall have to meet to clarify the situation in case that they deem it necessary.

The Agency may terminate this agreement without the need of judicial resolution, in the event that FIPROTUR does not comply with any of its obligations derived from this agreement.

In addition, regardless of whether or not the Agency terminates this agreement, in the event that the FIPROTUR does not comply with any of its obligations hereof, FIPROTUR shall pay the Agency all contributions made by the Agency to the Campaign in connection with this agreement, as well as any expenses incurred and to be incurred in connection herof, including the payment of any damages, losses, fines, cost or charges that the Agency may be required to pay under the CPTM Agreement and all those derived of any agreement, operation, business or association executed under clause seventh above. In the event that FIPROTUR does not comply with the corresponding payment in the above mentioned terms, FIPROTUR shall pay to the Agency, in addition to the amounts herein described, a penalty fee consisting in the equivalent to 10% (ten percent) of the unpaid balance on a monthly basis until payment in full.

FOURTEENTH. Printing defects. The Agency will be responsible for the errors, defects, irregularities and deficiencies in the printing of the promotional materials as long as it is for causes directly imputable to it. Therefore, in the event that one or several of the materials may present some of the problems above mentioned, the Agency is committed to issue at its own cost the correct re-printing immediately.

FIPROTUR will be responsible for the failures or deficiencies that may be contained in the material provided to the Agency for its publication. In such event, FIPROTUR shall replace at its own cost such material. The Agency will not be responsible in case that the material cannot be printed because of the fact that the material does not fulfill the required norms of quality for its printing.

FIFTEENTH. Interpretation of the Agreement. The total or partial nullity of any of the clauses contained herein will not affect and will not be considered as a particular statement regarding the validity and legal existence of the rest of the clauses of this agreement.

SIXTEENTH. Addresses and Notices. Any notice between the parties related to this agreement, shall be addressed to the persons named below, in writing, sent through a courier service to the following addresses:

THE AGENCY

Bosque de Duraznos No. 61, pisos 4 y 5
Col. Bosques de las Lomas
Delegación Miguel Hidalgo
C.P. 11700 México, D.F.
Attention: Ernesto Goenaga

FIPROTUR

Av. Camelinas # 3550
Colonia Campestre
C.P. 58270, Morelia, Michoacán.
Attention: _____

SEVENTEENTH. Dispute Resolution. All disputes arising in connecting with the present agreement shall be finally settled under the Rules of Arbitration of the Arbitration Center of Mexico (CAM) by one arbitrator appointed in accordance with the said Rules.

The parties agree that the applicable law for any dispute resolution shall be the law of Mexico. The language of the arbitration shall be Spanish and the place of the arbitration shall be Mexico City, Federal District.

Having been read by the parties and being the parties fully aware of its contents and legal scope, they sign this agreement by duplicate on _____, 2004.

Young & Rubicam, S. de RL. de C.V.

Fideicomiso F/43654-3
(FIPROTUR)

By: Manuel Arellano Ríos

By: Mario Alberto Rizo S.

#5603

SERVICES AGREEMENT TO CARRY OUT A COOPERATIVE ADVERTISING CAMPAIGN ENTERED INTO BY AND BETWEEN THE GOVERNMENT OF THE FREE AND SOVEREIGN STATE OF MICHOACAN DE OCAMPO, THROUGH THE MINISTRY OF TOURISM, REPRESENTED BY MR. JAIME GENOVEVO FIGUEROA ZAMUDIO, HEREINAFTER REFERRED TO AS "SECTUR", WITH THE PARTICIPATION OF MR. OCTAVIO LARIOS GONZÁLEZ, SECRETARY OF SOCIAL DEVELOPMENT, AND OF MRS. ALMA MARGARITA ESPINOSA MENÉNDEZ, GENERAL COORDINATOR OF SOCIAL COMMUNICATION AND, YOUNG & RUBICAM, S. DE R.L. DE C.V., REPRESENTED BY ITS LEGAL REPRESENTATIVE MR. MANUEL ARELLANOS RIOS HEREINAFTER REFERRED TO AS THE "AGENCY", IN ACCORDANCE WITH THE FOLLOWING STATEMENTS AND CLAUSES:

STATEMENTS

I. SECTUR hereby states through its legal representative that:

- a) In terms of the articles 40, 43 and 116 of the Political Constitution of the Mexican United States, as well as the established in the Political Constitution of Michoacán de Ocampo, a free and sovereign state, which is member of the Federation.
- b) The Secretariat of Tourism is a dependence of the centralized public administration, instituted for the dispatch of the administrative order business, leading its activities in order with the aims, programs, projects and politics defined by the Constitutional Governor of the State, attending to the foreseen in the article 62 of Michoacán de Ocampo's Political Constitution, and in articles 1, 9, 13 and 20 of the Organic Law of the Public Administration of Michoacán de Ocampo's State.
- c) Corresponds to it, among other attributions, to program, organize, promote and to coordinate projects, activities and investments for the potential tourist development, and to perform permanent labor of diffusion of the centers and tourist places and of the cultural and natural values of the State, in terms of articles 14, 27 and 35 section II, of the Organic Law of the Public Administration of the State, published in the Official Gazette on April 12, 2002.
- d) In fulfillment to the established in articles 11, 20, 22 section IV and 31 section IV of the Organic Law of the Public State Administration, 32 last paragraph of the Rules of the Law of Procurement, Leases and Rendering of Services Related to Personal Property and Real Estate of Michoacán's State, the holders of the Secretariat of Planning and State Development and the General Coordination of Social Communication took part and authorized this agreement.
- e) On April 30, 2003, it entered with the Consejo de Promoción Turística de México, S.A. de C.V., into a Collaboration and Coordination Agreement for Tourist Promotion by which both parties agreed to coordinate its actions and to collaborate in the activities they develop for the national and international tourist promotion of Michoacán's State, according with the cooperative advertising programs implemented by the Consejo de Promoción Turística de

GOVERNMENT OF MICHOACAN DE OCAMPO
SECRETARIAT OF TOURISM
2003 JUN 30 PM 03:42

Mexico, S.A. de C.V., to promote and advertise the attractions and tourist services of Mexico and its destinies on the national and international market.

- f) Its Taxpayers Registration Number is GEM-850101-C99.
- g) It has the financial resources to cover the expenditures derived from this agreement, pursuant with the official notice regarding the release of resources issued by the Secretariat of Planning and State Development.

II. The Agency, hereby states through its legal representative that:

- a) It is a limited liability company duly incorporated and validly existing under the Mexican laws, as evidenced in public deed number 16,314 dated December 14, 1966, granted before Mr. Jorge Sotelo Regil, Notary Public number 108 of the Federal District, duly registered in the Public Registry of Commerce of the Federal District, under number 154, page 120, volume 650, third book.
- b) Manuel Arellano Ríos is duly authorized to represent it, as evidenced in public deed number 49,722 dated April 28, 2003, granted before Mr. Roberto Nuñez y Bandera, Notary Public number 1 of the Federal District, which authority has not been revoked or limited in any manner.
- c) Its main purpose is to perform directly or indirectly all kind of activities related with advertisement and all types of advertisement for individuals or entities whether public or private through the means it considers appropriate.
- d) On September 12, 2003 it entered into the Services Agreement No. 062/2003 (hereinafter the "CPTM Agreement") with the Consejo de Promocion Turistica de México, S.A. de C.V. (hereinafter the "CPTM") by which the Agency undertook the provision of advertising services to promote Mexico's attractions and tourist services within the markets of the United States and Canada.
- e) Pursuant to the CPTM Agreement and the bid documents from which it derived, the Agency is authorized to follow a cooperative advertising program with different participants in of the tourism sector.
- f) It guaranteed the fulfillment of its obligations under the CPTM Agreement, through the granting of a bond, which as evidenced in the record attached to this agreement as **Exhibit 1**, was duly filed before the CPTM.
- g) It knows the scope of this agreement, has considered all the factors involved in its execution and has all the authorizations, and the material and human elements necessary for the compliance of each and every obligation contained herein.
- h) That its Taxpayers Registration Number is YRU-661214-8GA.

III. Both parties hereby state, through their legal representatives that:

- a) It is their will to bind themselves pursuant to the terms and conditions provided in this Agreement and its Exhibits.

CLAUSES

FIRST. Purpose. By virtue of this agreement, and as a result of the CPTM Agreement, SECTUR and the Agency hereby agree to carry out a cooperative advertising campaign consisting in the purchase of media and placement of advertisement, in order to promote the tourist attractions of the State of Michoacán de Ocampo, Mexico, in the United States of America and Canada (the "Campaign"), pursuant to the specifications and timeline provided in the media plan or plans attached hereto as **Exhibit 2**.

Said **Exhibit 2** may be modified at any time, prior consent of the parties, such consent maybe be granted in writing, via fax or e-mail.

The parties agree that the Campaign will comply with the terms and conditions provided for in the cooperative advertising program contained in the CPTM Agreement referred to in the statement **II D)** above mentioned.

The total cost of the Campaign agreed to by the parties is US\$250,000.00 (two hundred and fifty thousand dollars of the United States of America).

SECOND. Participation Mechanism. The parties agree that the Agency will be responsible of the purchase of media and placement of advertisement for the Campaign.

For the above mentioned purposes SECTUR shall deliver to the Agency, within the three working days following to the signature of this agreement, the amount that corresponds to SECTUR in terms of clause third below. The financial resources contributed by the parties for the performance of the Campaign can only be used for such purposes.

Additionally, SECTUR shall pay to the Agency, in consideration for the purchase of media and placement, an amount equal to 10% (ten percent), of the amount that SECTUR is required to contribute in terms of clause third below, being the Agency authorized to withhold such percentage from the amounts that SECTUR delivers to the Agency for the purchase of media and placement in accordance with the terms of this clause. This amount will be delivered to the Agency along with the amount referred to in the above mentioned paragraph.

THIRD. Financial Resources. The investment that The Agency will contribute for the fulfillment of the purpose of this agreement is the amount of US\$125,000.00 (one hundred and twenty five thousand dollars of the United States of America) which amount includes all the corresponding taxes .

On the other hand, the investment that SECTUR will contribute for the fulfillment of the purpose of this agreement, which does not include the 10% (ten percent) commission or the taxes, referred to in the last paragraph of the second clause

above, is the amount of US\$125,000.00 (one hundred and twenty five thousand dollars legal currency of the United States of America).

FOURTH. Tax Obligations. Each of the parties undertakes to comply with its corresponding individual tax obligations, releasing the other party of any liability in this matter.

FIFTH. Intellectual Property. The parties agree that the use they make of the trademark or legend "MEXICO" in the articles, messages, communications and any other materials that may become a part of the Campaign will be in compliance with the guidelines set forth in the CPTM Agreement. Likewise, the Agency will include the image and presence of the trademarks, slogans, logos, or other information agreed in writing with SECTUR pursuant to the terms agreed, and that it receives from SECTUR with at least one month of anticipation. It has been agreed that in the execution of the present agreement does not constitute any license or authorization for the use or exploitation of the trademark or legend "MEXICO" or any other granted by SECTUR to the Agency, in terms other than as expressly provided for in this agreement.

SECTUR shall be responsible for obtaining the authorization for the use of materials such as photographs, logos, trademarks, or any other items protected under the applicable industrial property laws, other than the trademark "MEXICO", that may be delivered to the Agency to be used in the Campaign. SECTUR shall also keep the Agency safe and harmless from any judicial proceeding initiated by a third party against the Agency with respect to this matter, and shall indemnify the Agency from any loss and/or damages that SECTUR's breach may bring upon the Agency, as well as reimburse all expenses incurred by the Agency in the legal defense undertaken for this reason.

The Agency will not be bound to publish or to promote any material that is in opposition to the legal norms, rules, and regulations applicable to advertising, to good customs or to morality.

SIXTH. Evidence. The Agency is obliged to present to SECTUR copy of all the evidence that it delivers to the CPTM in connection with this agreement. This delivery will be performed within the five working days that follows to the date in which the Agency made such delivery.

Evidence shall mean for purposes hereof the following: (i) in printed media, a copy of the magazines, newspapers or publications; (ii) in radio, the logs or transmission reports; (iii) in television, the affidavits or transmission reports; (iv) in internet, ad-serving of prints (ad-views and clicks) placed in a binder and an electronic version placed in a CD with the banners developed for the campaign by creative, size and languages, as well as screen shots of the banners as evidence of the placement of the portals; (v) in the event of billboards, exterior advertising and bus advertising, pictures of each one taken at the place where they are located or a picture of each billboard with the corresponding affidavit that attests to the places where they are located according the commercial

practice of the corresponding location; (VI) invoices of the purchased services and, in all events, (VII) any other evidence accepted or requested by the CPTM.

SEVENTH Labor Obligations. Due to the nature of this agreement, the parties agree that there are no conditions of subordination or labor relation whatsoever between SECTUR and the Agency or any of its employees.

EIGHTH. Nature of the Agreement. The parties agree that the terms and conditions hereof do not have the purpose or effect of creating a joint venture, merger, corporation or corporate association between the Agency and SECTUR. Likewise, this agreement does not exclusively bind the parties to each other, therefore, each of the parties will not assume, in the name and/or on behalf of the other, any obligation or engagement, unless it has the express written authorization of the other party for that purpose.

Notwithstanding the above mentioned, the parties agree that the Agency will be authorized to contract or execute any kind of operation, business or association with any commercial partner, "tour operator", travel agency or any other person for similar purposes of this agreement, and for to improve or extend the purposes of this agreement, always with the authorization in advance of SECTUR.

NINTH. Assignment of Rights. The parties undertake not to assign to third parties the rights and obligations conferred to them hereof, without the prior written authorization of the other party.

TENTH. Confidentiality. The parties agree that all the information created and/or exchanged between them as a result of this Agreement, shall be considered as strictly confidential, and the parties agree not to disclose it to third parties.

ELEVENTH. Duration. This Agreement will be in force from June 15, 2004 until December 31, 2004.

TWELFHT. Advanced Termination. In the event that one of the parties decides to cancel this agreement for any cause unrelated to the other party, it will so notify to the other party at least 5 (five) working days in advance to the date of the effective termination of the agreement. As from the date of notification, the party that is not terminating the agreement will be authorized to suspend immediately the fulfillment of its obligations without any responsibility.

In the event that the termination is requested by SECTUR, SECTUR shall reimburse the Agency on the date the termination notice is delivered, any and all contributions made by the Agency to the Campaign in connection with this agreement, as well as any expenses incurred and to be incurred in connection hereof, including the payment of any damages, losses, penalties, fines, losses, costs or charges that the Agency may be required to pay under the CPTM Agreement and all those derived of any agreement, operation, business or association executed under clause seventh above. In the event that SECTUR does not comply with the above, SECTUR shall pay to the Agency, in addition

to the amounts herein described, a penalty fee consisting in the equivalent to 10% (ten percent) of the unpaid balance on a monthly basis until payment in full.

THIRTEENTH. Administrative Termination. In the event that SECTUR considers that the Agency has incurred in a breach of any of its obligations contained in this agreement, SECTUR shall notify in writing such situation to the Agency, explaining clearly in what consists the breach. From the date of notification, the Agency shall have a term of ten working days to cure its breach, in case that the same has existed. If the breach existed and if the same is not cured within this term, SECTUR will be allowed to terminate the contract without the need of judicial resolution. If the Agency considers that there was no breach, the Agency shall notify it to SECTUR and the parties shall have to meet to clarify the situation in case they deem it necessary.

The Agency may terminate this agreement without the need of judicial resolution, in the event that SECTUR does not comply with any of its obligations derived from this agreement.

In addition, regardless of whether or not the Agency terminates this agreement, in the event that SECTUR does not comply with any of its obligations hereof SECTUR shall pay the Agency all contributions made by the Agency to the Campaign in connection with this agreement, as well as any expenses incurred and to be incurred in connection hereof, including the payment of any damages, losses, fines, cost or charges that the Agency may be required to pay under the CPTM Agreement and all those derived of any agreement, operation, business or association executed under clause seventh above. In the event that SECTUR does not comply with the corresponding payment in the above mentioned terms, SECTUR shall pay to the Agency, in addition to the amounts herein described, a penalty fee consisting in the equivalent to 10% (ten percent) of the unpaid balance on a monthly basis until payment in full.

FOURTEENTH. Printing Defects. The Agency will be responsible for the errors, defects, irregularities and deficiencies in the printing of the promotional materials as long as it is for causes directly imputable to it. Therefore, in the event that one or several of the materials may present some of the problems above mentioned, the Agency is committed to issue at its own cost the correct reprinting immediately.

SECTUR will be responsible for the failures or deficiencies that maybe contained in the material provided to the Agency for its publication. In such event SECTUR shall replace at its own cost such material. The Agency will not be responsible in case that the material cannot be printed because of the fact that the material does not fulfill the required norms of quality for its printing.

FIFTEENTH. Interpretation of the Agreement. The total or partial nullity of any of the clauses contained herein will not affect and will not be considered as

a particular statement regarding the validity and legal existence of the rest of the clauses of this agreement.

SIXTEENTH. Addresses and Notices. Any notice between the parties related to this Agreement, shall be addressed to the persons named below, in writing, sent through a courier service to the following addresses:

THE AGENCY

Bosque de Duraznos No. 61, pisos 4 y
5
Col. Bosques de las Lomas
Delegación Miguel Hidalgo
C.P. 11700 México, D.F.
Attention: Ernesto Goenaga

SECTUR

El Nigromante # 79 (Palacio Clavijero)
Colonia Centro
C.P. 58000, Morelia, Michoacán.
Attention: _____

SEVENTEENTH. Dispute Resolution. All disputes arising in connecting with the present agreement shall be finally settled under the Rules of Arbitration of the Arbitration Center of Mexico (CAM) by one arbitrator appointed in accordance with the said Rules.

The parties agree that the applicable law for any dispute resolution shall be the law of Mexico. The language of the arbitration shall be Spanish and the place of the arbitration shall be Mexico City.

Having been read by the parties and being the parties fully aware of its contents and legal scope, they sign this agreement by duplicate on _____, 2004.

Young & Rubicam, S. de RL. de C.V.

EL ESTADO LIBRE Y SOBERANO
DE MICHOACAN DE OCAMPO

By: Manuel Arellano Ríos

By: Jaime Genovevo Figueroa
Zamudio.

2004 JUL 30 11:10:42
ORGANIZACION ARBITRAL