

**RETIREMENT PLAN FOR
INSTITUTO EDUCATIVO DEL NOROESTE, A.C.**

ARTICLE I: OBJECTIVES.....	2
ARTICLE II: DEFINITIONS AND INTERPRETATIONS	3
ARTICLE III: REQUIREMENTS TO PARTICIPATE	4
ARTICLE IV: CONTRIBUTIONS.....	4
ARTICLE V: RETIREMENT.....	5
ARTICLE VI: PENSION ADJUSTMENTS.....	6
ARTICLE VII: EFFECTS IN THE LOSS OF THE PARTICIPANT'S CREDIT.....	6
ARTICLE VIII: ADMINISTRATION OF THE PLAN.....	7
ARTICLE IX: GENERALS.....	8
ARTICLE X: MODIFICATION.....	9
ARTICLE XI: CANCELATION AND PAYMENT OF THE PLAN.....	9
ARTICLE XII: TAXES AND EXPENSES.....	10
TRANSITORY ARTICLES.....	10

ARTICLE I - OBJECTIVES

The Plan for Retirement pension for *INSTITUTO EDUCATIVO DEL NOROESTE, ASOCIACION CIVIL* is established, which provides additional benefits to those provided by the Mexican Social Security Institute. A fundamental purpose of the Plan is to set the bases for contribution to the Fund that this PLAN provides, as well as the regulations by which the PARTICIPANTS can benefit from.

The constitution of this PLAN requires as a main element, the support, understanding and loyalty of all PARTICIPANTS in benefit of those who will receive its goodness.

This PLAN will operate by the fundamental premise of solidarity among the PARTICIPANTS who fulfill with its requirements, to achieve among all, a greater benefit when reaching the required age and seniority in this PLAN for RETIREMENT, according to the definitions ahead.

ARTICLE II – DEFINITIONS AND INTERPRETATIONS

In order for the PLAN to work, the following concepts or sentences have a meaning that is described as follows:

1.- *ACTUARY*: The actuary Technician designated by the TECHNICAL COMMITTEE in order to elaborate the required calculations within the PLAN, as well as the required advising for its appropriate functioning.

2.- *ADMINISTRATOR*: IENAC's executive commission.

3.- *ANNIVERSARY*: January 1st of each year.

4.- *SENIORITY IN THE PLAN*: The time passed since the condition of PARTICIPANT is acquired in the PLAN until a time given.

5.- *CONTRIBUTION*: The resources that must be periodically contributed to the FUND by IENAC and the PARTICIPANTS to maintain financial viability, in terms of article IV in the PLAN.

6.- *SCHOLARSHIP HOLDER*: The PARTICIPANT that, sponsored by IENAC, attends full time graduate studies without earning an ordinary income from IENAC.

7.- *BENEFICIARIES*: Any person or persons designated before IENAC by the PARTICIPANT or RETIREE to receive any benefit due to the PARTICIPANT'S or RETIREE'S death, which they are entitled to in terms of this PLAN.

8.- *RETIREMENT BENEFITS*: The amount of money a RETIREE is entitled to, in terms of this PLAN.

9.- *TECHNICAL COMMITTEE*: The group of people named by the MANAGER to take care of this PLAN's administration.

10.- *THE PLAN*: The present document in all its parts.

11.- *WORKER*: Any person subject to a subordinated working relation with IENAC.

12.- *MODIFICATION DATE TO THE PLAN*: April 1, 2007.

13.- *REGULAR RETIREMENT DATE*: The first day of the month immediately alter the PARTICIPANT fulfills with the following two requirements: be sixty five (65) years old and have at least fifteen (15) years in the PLAN.

- 14.- *FIDUCIARY*: The auxiliary Credit Institution that administers the Fund's resources by a Trust fund Contract.
- 15.- *SETTLEMENT*: The writing signed by the PARTICIPANT and directed by IENAC, where it is expressly acknowledged that there is no owing of amount regarding salaries, debts, vacations, seniority, overtime, and in general for any other benefit or obligation by IENAC, since all payments were made in time.
- 16.- *FUND*: The reserve of invested money and/or values in trust fund that constitutes this PLAN, generated by the contributions from IENAC and the PARTICIPANTS', as well as the yield or interests produced by the investments.
- 17.- *IENAC*: *Instituto Educativo del Noroeste, Asociación Civil*, a non-profit organization.
- 18.- *BEGINNING OF VALIDITY*: March 1, 1994.
- 19.- *RETIREMENT*: State of a PARTICIPANT for having fulfilled with the conditions for being RETIRED.
- 20.- *RETIREE*: The person who has received the benefit of being retired.
- 21.- *SINGLE PAYMENT*: THE RETIREMENT BENEFIT made in a single payment at the time of retirement.
- 22.- *PARTICIPANT*: THE WORKER that is eligible and that fulfills with what is established in this PLAN and that is formally enrolled in this PLAN.
- 23.- *PENSION*: The monthly amount a RETIREE is entitled to in terms of this PLAN.
- 24.- *YIELD*: The interests the FUND generates, in the terms expected by the Income Tax Law.
- 25.- *RESIGNATION*: The manifestation in writing that any WORKER at IENAC makes, thus ending the working relation with IENAC.
- 26.- *REPRESENTATIVES*: The people named by the TECHNICAL COMMITTEE, among its members, to represent the TECHNICAL COMMITTEE before the FIDUCIARY.
- 27.- *MONTHLY SALARY*: The amount equivalent to thirty times the daily wage, that the PARTICIPANT receives in exchange for his services, including Christmas Bonus, social security benefits and the monthly contribution to the PARTICIPANT's savings fund made by IENAC. This MONTHLY SALARY will be the base for calculating the periodical contribution as well as the PARTICIPANT's RETIREMENT BENEFIT. For the PLAN's operations, no other payment, premium or benefit will be integrated, in kind or economical advantage or amount delivered to the PARTICIPANT for his work.
- 28.- *ACTUARIAL VALUATION*: The study made by the ACTUARY annually, where figures relative to the pension plan are presented, such as contributions, actuarial valuation, actuarial factor for calculating a SINGLE PAYMENT, the table for calculating anticipated retirement, actuarial value of liabilities, and others of the same kind.
- 29.- *PENSION SALARY*: The calculating base for determining the PENSION which consists of an average MONTHLY SALARY earned by the PARTICIPANT in the last twelve (12) months before the retirement date.
- 30.- *ACTUARIAL VALUE*: The current value in national currency of the RETIREMENT BENEFIT, to be received in the REGULAR RETIREMENT DATE, in terms of this PLAN.

ARTICLE III – REQUIREMENTS TO BE A PARTICIPANT

1. All tenure full time employees at IENAC who work as instructors, academic, administrative, technical and services staff, are entitled to enroll in this PLAN. Temporary and part tenure personnel, or those hired for working for a determined period of time are not eligible.

2.- Fill in and sign a PLAN enrollment application by agreeing and understanding the terms and conditions in this PLAN, which consists of a document where it is expressed that IENAC is authorized to deduct from the MONTHLY SALARY the corresponding contribution due to the participation in this PLAN, where the BENEFICIARIES will likewise be described for the cases anticipated in this PLAN.

3.- The PARTICIPANTS relation in the PLAN will end in any of the following cases:

- a) The working relation of the PARTICIPANT and IENAC ended.
- b) The PARTICIPANT manifested a desire for resigning to the PLAN.
- c) For having stopped contributing in terms of article IV-1, except what is stated in article V, point B, part 5.
- c) In case the PARTICIPANT is declared disabled by the Mexican Social Security Institute (IMSS).
- d) In other cases established by the PLAN, by applicable laws or decisions from the corresponding authorities.
- e) When the person becomes RETIRED.

ARTICLE IV – CONTRIBUTIONS

The CONTRIBUTION will be constituted in two thirds by IENAC's contribution and in a third part by the PARTICIPANTS. The CONTRIBUTION corresponding to the PARTICIPANTS will be made by deductions periodically made in terms of this article and described in article III previously. The CONTRIBUTION part corresponding to IENAC will be made with the same periodicity than the PARTICIPANTS'. Contributions will be made with the following bases:

1.- CONSTITUTION OF THE PARTICIPANTS' CONTRIBUTIONS. IENAC will retain from the MONTHLY SALARY that is periodically delivered to the PARTICIPANT, the percentage determined each year before the ANNIVERSARY of this PLAN by the ACTUARY within the ACTUARIAL VALUATION based on the last financial objectives of this PLAN, approved by the TECHNICAL COMMITTEE; such percentage should not exceed two (2%) percent of the MONTHLY SALARY of each PARTICIPANT. Such retention will be made during the period that the PARTICIPANT is enrolled in the PLAN. The amounts retained for this concept will be delivered to the fiduciary, so they are added to the FUND.

The PARTICIPANT who requests and obtains a working license for a cause different from the scholarship sponsored by IENAC, without salary, will contribute with one hundred percent (100%) of the amount corresponding to the PARTICIPANT's and IENAC's contribution. The PARTICIPANT can have this right for a maximum period of one year, except for those in

Graduate Studies, whose maximum period will be for two years, which can be extended by the TECHNICAL COMMITTEE.

After such period, if the PARTICIPANT does not return to his ordinary working activities performed before obtaining the license or being suspended, the following Clause VII.2 will be applied:

2.- CONSTITUTION OF IENAC'S CONTRIBUTIONS. IENAC will contribute monthly to the FUND twice the amount of that contributed by the PARTICIPANTS in terms of the previous point. Such amount will be delivered monthly to the TECHNICAL COMMITTEE to be incorporated to the FUND in administration with the FIDUCIARY.

ARTICLE V - RETIREMENT

A.- THE TIME TO RETIRE

1.- The PARTICIPANT will be entitled to retirement in any of the following conditions:

a) REGULAR RETIREMENT: When the PARTICIPANT reaches the REGULAR DATE for RETIREMENT.

b) ANTICIPATED RETIREMENT: When reaching sixty years of age, having worked for a minimum of 15 years in the PLAN till the date of requesting the RETIREMENT, which has to be authorized by the TECHNICAL COMMITTEE.

c) DEFERRED RETIREMENT: At any time after the REGULAR RETIREMENT DATE. In this case, seniority in the PLAN and the pension salary will be the one the PARTICIPANT had by the time of the REGULAR RETIREMENT DATE.

2.- The RETIREMENT applicant must accredit, in any case, before the TECHNICAL COMMITTEE, the presentation of his resignation to IENAC, by having signed the corresponding settlement.

B. BENEFITS OF RETIREMENT.

1.- The BENEFIT OF RETIREMENT will consist on a lifetime PENSION made in a SINGLE PAYMENT.

2.- In case of REGULAR RETIREMENT, the RETIREMENT BENEFIT will be made in a SINGLE PAYMENT equivalent to a lifetime PENSION calculated as 0.7% of the PENSION SALARY, for each year (or fraction) of service in the PLAN increased in 4.5 years. This SINGLE PAYMENT will be determined by multiplying the value of the PENSION by an actuarial factor that depends on the life expectancy of the PARTICIPANT about to retire, a factor stated in the ACTUARIAL VALUATION.

3.- In case of ANTICIPATED RETIREMENT, if authorized by the TECHNICAL COMMITTEE, the PENSION that the PARTICIPANT will receive will be the proportion of the RETIREMENT BENEFIT determined according to a table assigning an actuarial factor according to the retirement age. This actuarial factor is stated in the ACTUARIAL VALUATION.

4.- In case of DEFERRED RETIREMENT, the PARTICIPANT about to retire will be entitled to receiving a PENSION calculated as if requested a REGULAR RETIREMENT, that is, the RETIREMENT BENEFIT will be calculated with the seniority data in the PLAN and the salary

at the time of the REGULAR RETIREMENT DATE, but with the real age at the time of the deferred retirement.

5.- In case a PARTICIPANT does not request his RETIREMENT in the REGULAR RETIREMENT DATE, he will continue as PARTICIPANT without having to make contributions to the FUND. IENAC will not have to continue making contributions to this PARTICIPANT. This point will not be considered as a withdrawal from the PLAN. The PARTICIPANT, in this case, is not entitled to receiving a PENSION larger than the one he would have received if he had retired in the REGULAR RETIREMENT DATE.

6.- The RETIREMENT BENEFIT will not be less than the equivalent to three times MINIMUM WGAE, plus 20 days of salary for every year of seniority in the PLAN, calculating such salary based on the MONTHLY SALARY received by the PARTICIPANT the last month before the RETIREMENT, excluding from such base the Christmas bonus that is referred to in the definition of MONTHLY SALARY. If the case is DEFERRED RETIREMENT, this calculation will be made with the PLAN's seniority and the PARTICIPANT'S salary in the REGULAR RETIREMENT date.

7.- Any change in the remuneration bases of the PARTICIPANTS made during the year before the PARTICIPANT'S RETIREMENT date, must be subject to validity from the PLAN'S TECHNICAL COMMITTEE in order to calculate the corresponding PENSION SALARY.

ARTICLE VI – PENSION ADJUSTMENTS

1.- ADJUSTMENTS DUE TO THE PARTICIPANT'S DEBTS. When the amount of the RETIREMENT BENEFIT is determined, it will be adjusted in case there is any debt by the PARTICIPANT.

In order to do so, the PARTICIPANT, at the time of requesting RETIREMENT, whether it is REGULAR, ANTICIPATED OR DEFERRED, the PARTICIPANT must manifest agreement in writing for this deduction that will be made once from the SINGLE PAYMENT the amount in debt with IENAC, thus accepting it the PARTICIPANT from the corresponding SETTLEMENT.

ARTICLE VII - EFFECTS IN THE LOSS OF THE PARTICIPANT'S CREDIT

Understanding that this PLAN groups the convinced PARTICIPANTS, that with solidarity they contribute to the FUND of this PLAN; wishing that this PLAN lasts and survives, it is fully understood that all PARTICIPANTS incurring in any of the cases described as follows, will lose their right to belong to this PLAN. The PARTICIPANT, if such is the case, will be entitled to the refund of his contributions through the corresponding retentions and yields that will be calculated using an annual interest rate reported by the Fiduciary; only points 4, 5, and 6 below described, will be covered to the PARTICIPANT:

1.- When the PARTICIPANT voluntarily retires from the PLAN or IENAC, and hasn't met the requirements yet in terms of Article V-A of this PLAN.

2.- When the PARTICIPANT stops covering one or more of his contributions in terms of the previous Article IV.

3.- When the working relation of the PARTICIPANT is ended, with a justified cause, in terms of the Federal Labor Law.

4.- In case the PARTICIPANT is declared with a total permanent disability, he will be entitled to a refund of his contributions by retentions made by IENAC to the PARTICIPANT, plus the corresponding yield.

5.- In case of the PARTICIPANT's death before sixty years of age, for any cause, the BENEFICIARIES will be refunded 100% of the contributions made by the PARTICIPANT through retentions and contributions made by IENAC, plus the corresponding yield. If death occurs between 60 and 65 years of age along with fifteen years of seniority in the PLAN, by request of the BENEFICIARIES, a PENSION will be granted in terms of Articles V-B-3 and IX of this PLAN.

6.- In case the working relation ends due to legal indemnity, in terms of the Federal Labor Law, the contributions will be refunded to the PARTICIPANT through retention, including the corresponding yield.

Under no circumstance will PARTICIPANTS be entitled to, in the points previously described, receive any additional amount to the one mentioned, nor to receive any amount due to refund of the corresponding contributions made by IENAC, in terms of Article IV in this PLAN, except specifications in points 4 and 5 in this Article.

The PARTICIPANT, whose working relation is ended and is partially or totally compensated, will lose the right to request RETIREMENT in terms of this PLAN.

ARTICLE VIII – ADMINISTRATION OF THE PLAN

1.- The ADMINISTRATION OF THE PLAN is entrusted to the TECHNICAL COMMITTEE integrated by an odd number of people of no more than nine and no less than three, which will be designated by the MANAGER. The members of the TECHNICAL COMMITTEE will be in charge until the MANAGER designs new members substituting the previous ones.

2.- The TECHNICAL COMMITTEE members' posts are honorary and no emolument will be received. In order for the TECHNICAL COMMITTEE to work properly, they must attend to sessions, at least the majority of the people forming it, and their decisions will be valid when taken by the majority of the people present. For each session made by the TECHNICAL COMMITTEE, the corresponding minute will be elaborated; all present members will sign it.

3.- The TECHNICAL COMMITTEE is in charge of the following:

a) Intervene in the Administration of the PLAN's FUND; coordinate together with the FIDUCIARY the FUND's investment, according to the applicable laws in this matter and what is stated in this document and the TRUST FUND constituted for it.

b) Instruct the FIDUCIARY on payments that must be made according to this PLAN, to RETIREES, BENEFICIARIES, and PARTICIPANTS, according to the different situations in which they might be.

c) The TECHNICAL COMMITTEE must gather at least once a year within the four months following the PLAN's ANNIVERSARY and they will solve matters of the PLAN, all issues from the PLAN, the ADMINISTRATOR and the PARTICIPANTS.

d) The TECHNICAL COMMITTEE is obliged to present the ADMINISTRATOR, at least once a year, the FUND's economical and financial situation, where at least, the amount of the contributions accumulated till date will be included from the PARTICIPANTS, IENAC, yield and financial products from the FUND, the status on the TRUST FUND's, RETIREES, BENEFICIARIES, PARTICIPANTS and those who fulfill with the requirements to request RETIREMENT.

At any time can the ADMINISTRATOR demand from the TECHNICAL COMMITTEE information on the PLAN and the FUND's management.

4.- IENAC and the TECHNICAL COMMITTEE will not be responsible of any adversity that may come on the values invested in the FUND with the FIDUCIARY. The PARTICIPANTS manifest, by signing the enrollment application that they agree in maintaining IENAC and the TECHNICAL COMMITTEE free from any responsibility.

ARTICLE IX – GENERALS

1.- With exception of the debts the PARTICIPANT may have with IENAC, no benefit acquired by this PLAN can be subject to advances in payment, alienation, sales, transfer, designation, undertaking, taxes or activity of any type, and any action taken with this purpose will be annulled and will not proceed. Neither can such benefits take part in debts, contracts, responsibilities, commitments, nor tort regarding the beneficiaries of this PLAN, excepting the actions specifically stated in this PLAN and those coming from the corresponding authorities.

2.- The establishment of the PLAN does not entitle any of the PARTICIPANTS to continue with their job, nor it affects any job, nor limits IENAC's right to terminate a working relation with its WORKERS.

3.- This PLAN's objective is to provide additional benefits to those provided by the law. However, in a future case that any required benefit should arise within this PLAN's nature, any type of legal or contractual disposition that may exist will have to be fulfilled in terms of this PLAN, without having to provide any additional benefits. Therefore, the contributions made by IENAC according to this PLAN, and its own benefits, must be considered as done and fulfilled with the contractual or legal dispositions that exist or may exist.

4.- IENAC will not have more obligations than those specifically stated in this PLAN.

5.- The right to fulfill the correlative obligations according to this PLAN, prescribe in the period fixed by applicable laws.

The period will be established from the date that the obligation is required, therefore, if the person who wishes to receive the benefits, or whoever represents his rights, does not claim them within such period, IENAC will be free from this obligation and the TECHNICAL COMMITTEE will demand cancelation.

ARTICLE X - MODIFICATIONS

IENAC reserves the right to modify, add, or cancel all or parts of this PLAN, at any time, when the TECHNICAL COMMITTEE recommends so, for a better operation of the PLAN.

ARTICLE XI – CANCELATION AND PAYMENT OF THE PLAN

This PLAN is designed to operate with minimum and maximum parameters of financial yield and contribution. Therefore, it is established that if any variation in the regional, national or international financial situation affects the financial scheme and the bases of this PLAN in an adverse way, it may cause cancelation. Among other payment criteria, the fact that the contributions and retentions calculated and required for next year, based on annual revisions made in terms of Article IV in this PLAN, be higher than the expected parameters in the previous Article IV, will be considered. In a stated and not limited way, the following will be a sufficient base to motivate cancelation, and therefore payment, of this PLAN:

- i) When the number of PARTICIPANTS is lesser than seventy-five percent of the eligible PARTICIPANTS, according to Article III.
- ii) When the total FUND's annual yield rate has a difference of two percentage points, or less, below the annual salary increase rate of IENAC'S WORKERS and/or the annual inflation rate.

1.- IENAC expects and wishes to maintain the PLAN active indefinitely. IENAC reserves the right to cancel or terminate this PLAN at any time, if it considers it convenient, considering the premises before mentioned and to safeguard the economical stability of IENAC and *CENTRO DE ENSEÑANZA TECNICA Y SUPERIOR*, or when the law forbids its operations, or due to such legal effects, it does not fulfill the objectives expected in this PLAN.

2.- In case the PLAN is terminated, due to the effects of the law, or because IENAC determined it so base don the premises stated in the previous paragraphs in this Article, the FUND will provide the PLAN's expenses, as described as follows, limited to the fiduciary and the actuaries:

A.- The PARTICIPANTS, if at the time of the fund's termination and payment, are entitled to a REGULAR RETIREMENT or a DEFERRED RETIREMENT, and they have requested their RETIREMENT BENEFITS before the notification of the FUND's cancelation by the ADMINISTRATOR, the RETIREMENT BENEFIT will be delivered.

B.- Any remnant that may exist in the FUND, once the payments described in paragraph 2, point "A" in this Article have been made, they will be distributed among the rest of the PARTICIPANTS in a direct proportional way to the accumulated amount of contributions.

ARTICLE XII – TAXES AND EXPENSES

Any tax and/or expenses that may be caused by the fulfillment of this PLAN will be on account of the FUND's PLAN or the PARTICIPANTS, RETIREES or BENEFICIARIES, according to the case.

TRANSITORY ARTICLES

1.- The workers who enroll in this new PLAN will be considered as PARTICIPANTS, they must sign an ENROLLMENT APPLICATION where they manifest their belonging to the new PLAN, thus, substituting the previous one.

2.- The workers who start this new PLAN and are considered as PARTICIPANTS, will have their SENIORITY in the previous PLAN, included in the new PLAN.

3. The tenure WORKERS who entered IENAC from April 1, 2002 and that are considered as PARTICIPANTS from the new starting date of this PLAN until April 13, 2007, for the PLAN's effects, their SENIORITY in IENAC will be considered.

4.- According to Article XI, part 2 in this new PLAN, in case there are RETIREES who at the time of the FUND's payment and termination of the PLAN would be receiving a PENSION, before the FUND makes the distribution, according to paragraphs A and B in Article XI, part 2, the actuarial value of the PENSION the had been receiving will be delivered.

5.- PENSION ADJUSTMENTS. RETIREES, who at the time this new PLAN enters into force are receiving a PENSION and they have not opted for their SINGLE PAYMENT, will be entitled to have their PENSION adjusted annually, with the variation average between the National Consumer Price Index which reports the Institution officially designated for that, which annually decrees the National Commission of Minimum Wage.

6.- In case a RETIREE, at the time this new PLAN enters into force is receiving a PENSION and has not opted for SINGLE PAYMENT shall die, the designated beneficiaries will be entitled to receiving the PENSION continuously for a maximum of ten years. The continuous period, during which the PENSION will be received, will be counted from the date the PARTICIPANT became RETIREE, as long as this person retires within the REGULAR RETIREMENT DATE or by the ANTICIPATED RETIREMENT scheme. In case of DEFERRED RETIREMENT, the 10-year period will begin from the REGULAR RETIREMENT DATE corresponding to the PARTICIPANT.

7.- At the time this new PLAN begins, current RETIREES will be offered the benefits of their PENSION in a SINGLE PAYMENT, with authorization from the TECHNICAL COMMITTEE, the benefits of the PENSION they are entitled to according to the resulting actuarial calculation.

8.- In case the conditions of this new PLAN are not accepted, the PARTICIPANT must manifest so in writing and will be entitled to a refund of his corresponding contributions by deductions.

The Pensions PLAN, once read and ratified, is signed in the city of Mexicali in the state of Baja California, on April 1, 2007, by the legal representative of *INSTITUTO EDUCATIVO DEL NOROESTE, A.C.* and by the PARTICIPANTS who, once they have read this PLAN, requested enrollment to it.

Ing. Enrique Carlos Blancas de la Cruz
Legal Representative of Instituto Educativo del Noroeste, A.C.
President of CETYS University System