Lic. Alejandro Díaz de León Carrillo  
Titular de la Unidad de Crédito Público  
Secretaría de Hacienda y Crédito Público  
Insurgentes Sur 1971, Col. Guadalupe Inn, Álvaro Obregón  
Distrito Federal, México, C.P. 01020

Re: Mexico: Loan No. 7948-MX (School-Based Management Project – Phase II)  
First Amendment to the Loan Agreement

Dear Sir:

We refer to the Loan Agreement between United Mexican States (the “Borrower”) and International Bank for Reconstruction and Development (the “Bank”) dated November 9, 2010, with respect to the above-captioned Project (“Loan Agreement”). Please note that capitalized terms used in this letter (the “Amendment Letter”) and not defined herein have the meaning ascribed to them in the Loan Agreement.

Pursuant to the letters received from Lic. Liliana Velázquez Correa, Subdirectora, NAFIN, dated August 23, 2012 and December 24, 2012 requesting the Bank to amend the Loan Agreement, we are pleased to inform you that the Bank agrees to your request and consequently, proposes to amend the Loan Agreement as follows:

1. Parts 2(b) and (c) of Schedule 1 are amended to read as follows:

“(b) Provision of technical assistance to the States to improve their prioritization of Indigenous Schools and Marginalized Area Schools and monitor their adherence to the PEC operating rules through, inter alia: (i) the carrying out of supervision visits; (ii) the organization and carrying out of seminars and workshops at state level; and (iii) the coordination of regional and national meetings attended by PEC’s federal and state authorities.

(c) (i) Design and implementation of an information campaign to disseminate: (A) Project objectives, activities and results; and (B) the simplified school planning instrument; (ii) carrying out of a monitoring and evaluation survey to collect data from community members on the strategic school-based management model in PEC schools; and (iii) carrying out an impact evaluation and a qualitative evaluation of the Project.”

2. Part 3 of Schedule 1 is deleted.
3. The table under paragraph 3 in Section IV.A of Schedule 2 is amended to read in its entirety as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Works and Consultants' Services financed under School Grants</td>
<td>217,949,769</td>
<td>90%</td>
</tr>
<tr>
<td>(2) Operating Costs</td>
<td>1,000,231</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultant Services</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>550,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Premia for Interest Rate Caps and Interest rate Collars (amounts due under section 2.07 (e) of this Agreement)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>220,000,000&quot;</td>
<td></td>
</tr>
</tbody>
</table>

4. Section I of the Appendix is amended as follows:

(a) the definition of "CONAFE" included in paragraph 4 is hereby deleted.

(b) the following new definitions are added to read as follows:

"(i) "Indigenous School" means an indigenous modality school categorized by bilingualism and biculturalism in which at least one indigenous language is taught and elements of indigenous culture are immersed in the school’s activities.

(ii) "Marginalized Area School" means a rural and/or urban school located in a Basic Geo-Statistical Area as listed in the Marginalization Index 2005 (Índice de Marginación 2005) provided by the National Population Council (CONAPO – Consejo Nacional de Población)."

Please be advised that the Bank has established June 30, 2014 as the later date for purposes of Section IV.B.2 of Schedule 2 to the Loan Agreement.

Please confirm your agreement with the foregoing amendment by signing and dating this Amendment Letter in the spaces provided below. All other provisions of the Loan Agreement
except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two (2) counterparts each of which shall be an original.

Upon your confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of its countersignature upon receipt by the Bank of one fully executed original of this Amendment Letter.

Please also note that the approved Restructuring Paper dated April 25, 2013 will be disclosed on the Bank’s external website.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Gloria M. Grandolini
Director
Colombia and México
Latin America and the Caribbean Region

AGreed:

UNITED MEXICAN STATES

By: Authorized Representative

Name: Alejandro Díaz de León Carrillo

Title: Deputy Under Secretary for Public Credit

Date: May 13, 2013