



STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

ANNEX XXIX – DEMOBILIZATION AND TRANSITION PLAN



STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

TABLE OF CONTENTS

1. INTRODUCTION	3
2. PARTIAL AND FINAL REPORTS	4
3. PROVISIONAL RECEIPT CERTIFICATE	6
4. PROVISIONAL TRANSFER TO SUCCESSOR	7
5. FINAL ACCEPTANCE CERTIFICATE	8
6. TRANSITION	8



STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

1. INTRODUCTION

- 1.1. The purpose of this ANNEX is to establish the main conditions for the CONCESSIONAIRE's devolution of the ZOO, the BOTANIC GARDEN, the FARM and the BIOLOGICAL ASSETS OF THE CONCESSION to the GRANTING AUTHORITY, with or without the TRANSFER thereof, in full or in part, to any succeeding concessionaire (hereinafter referred to as the "SUCCESSOR"). Without prejudice to devising the DEMOBILIZATION PLAN, as referenced in Section Fifty-Seven of the CONCESSION CONTRACT.
- 1.2. Thus, for purposes of complying with this ANNEX, all references and rules concerning said devolution shall also apply to the event of a TRANSFER which designates, under this ANNEX, and shall be construed herein as a new concession of an asset or a set of assets to be reverted back to the GRANTING AUTHORITY by the CONCESSIONAIRE.
- 1.3. Moreover, all references to the TRANSFER and/or to the SUCCESSOR shall apply if, at any time prior to the termination of the CONCESSION, any of the events entailing early termination of this instrument have taken place.
- 1.4. The CONCESSIONAIRE shall, notwithstanding all maintenance and conservation works required for retaining the PERFORMANCE INDICATORS and for fulfilling all other contractual obligations during the CONCESSION TERM, return and/or transfer the ZOO, the BOTANIC GARDEN and the FARM in good operating conditions and proper state of conservation, allowing for the continuity of the services under this CONTRACT for at least 5 (five) additional years, counted as of the termination date of the CONTRACT, save for those having a shorter useful life.
- 1.5. Two years prior to the expiry of the CONCESSION, the GRANTING AUTHORITY shall organize and oversee a COMMISSION made up of GRANTING AUTHORITY, CONCESSIONAIRE and, if any, SUCCESSOR representatives, in equal numbers, to oversee performance, by the CONCESSIONAIRE, of all actions preceding devolution and/or TRANSFER of the ZOO, the BOTANIC GARDEN and the FARM, as referenced hereunder.
- 1.6. If, upon constituting the COMMISSION, the bidding process whose purpose includes a new concession of the ZOO, the BOTANIC GARDEN and the FARM, being the subject of this CONCESSION, has not started or, when started, has not concluded, the SUCCESSOR shall be automatically included in the COMMISSION as from the execution date of the new concession contract.
- 1.7. The COMMISSION shall devise, within 90 (ninety) days, counted as of its constitution, the first INSPECTION REPORT (as defined herein) and submit to the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, subject to the approval of the CONCESSIONAIRE and, if any, the consent of the SUCCESSOR, the parameters to guide the devolution and/or transfer of all or part of the ZOO, the BOTANIC GARDEN and the FARM that are the purpose of this CONCESSION CONTRACT.
- 1.8. The INSPECTION REPORT, referenced in item 1.7 above, shall convey the conditions of the ZOO, the BOTANIC GARDEN and the FARM, and may recommend the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT to accept them, as well as pointing out the need for amendments prior to their devolution to the GRANTING AUTHORITY and/or transfer to the SUCCESSOR.
- 1.9. Any amendments shall be made within terms previously defined by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, and they shall be subject to a new inspection, following the completion of services.

STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

- 1.10. In case of devolution of the ZOO, the BOTANIC GARDEN and the FARM to the GRANTING AUTHORITY, and in case of their TRANSFER to the SUCCESSOR, rules specified in item 6 – TRANSITION of this ANNEX, are to be complied with.
- 1.11. In case of TRANSFER, the COMMISSION shall determine how the interaction between the CONCESSIONAIRE and the SUCCESSOR is to unfold, submitting it to the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT's approval the month before the start of operations by the latter.

2. PARTIAL AND FINAL REPORTS

- 2.1. Every 3 (three) months, as from the approval of the first INSPECTION REPORT devised as set forth under items 1.7 and 1.8 above, the COMMISSION shall devise and submit a PARTIAL REPORT to the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT's approval describing the status of works carried out, for purposes of rectifying any disconformities verified during the course of the works.
- 2.2. The REPORTS, separated by PARTIAL REPORT and FINAL REPORT, may be devised and signed by an INDEPENDENT RAPPOREUR who shall be responsible for inspections and for devising the REPORTS (hereinafter referred to as the "INDEPENDENT RAPPOREUR" or "RAPPOREUR"), to support the decision made by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT. Any and all incidents verified during inspections conducted at the ZOO, the BOTANIC GARDEN and the FARM, or at the SPECIAL PURPOSE COMPANY, and/or the CONCESSION, shall be registered, in the proper registration book, under the corresponding INSPECTION RECORD, and remitted to the CONCESSIONAIRE, establishing a term for it to rectify any errors or defects ascertained, notwithstanding the right to initiate, concurrently, sanctioning administrative proceedings, as established under State Law No. 10.177/1998.
- 2.3. The FINAL REPORT shall be delivered 15 (fifteen) days before expiry of the CONCESSION, and is to thoroughly describe dates of inspections and meetings held, drafts of meetings, all breaches verified and rectified throughout the course of the COMMISSION's works, as well as any other information deemed relevant by the COMMISSION, including a Final Opinion concerning the fulfillment of devolution conditions established hereunder.
- 2.4. The INDEPENDENT RAPPOREUR may be heard about findings described in the FINAL REPORT, prior to the decision made by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, regardless of whether he was or was not responsible for devising it.
- 2.5. The INDEPENDENT RAPPOREUR shall be chosen by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT among other candidates in the three-name list submitted by the CONCESSIONAIRE, within a time period that allows him to carry out procedures the COMMISSION is responsible for, in the event that the CONCESSIONAIRE chooses to appoint the INDEPENDENT RAPPOREUR.
- 2.6. The INDEPENDENT RAPPOREUR may not have maintained any tie to the CONCESSIONAIRE or its RELATED PARTIES, nor received any compensation therefrom, during a 12 (twelve)-month period before the COMMISSION was constituted, nor shall he have any tie to the CONCESSIONAIRE or to its RELATED PARTIES, or receive any compensation therefrom during 12 (twelve) months following delivery of the FINAL REPORT.

STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

- 2.7. The three-name list shall comply, all at once, with the criteria determining that individuals are to have widespread technical reputation on the market and not be banned from contracting with the FEDERAL PUBLIC ADMINISTRATION.
- 2.8. The STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT may request, at its discretion and only once, that a new three-name list be devised within 7 (seven) days after the first list is devised by the CONCESSIONAIRE, which shall, within 7 (seven) days, devise the new three-name list, replacing three candidates to carry out the role of the RAPPORTEUR.
- 2.9. All costs and any responsibilities associated with contracting and engaging the RAPPORTEUR shall be assigned solely to the CONCESSIONAIRE, whereas no burden whatsoever is to fall upon the GRANTING AUTHORITY or, even, the SUCCESSOR, if any.
- 2.10. Upon the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT's choice of the RAPPORTEUR, the former shall, whether directly or by means of its agents, proceed with all mandatory inspections, as well as devising the REPORTS referenced in this ANNEX.
- 2.11. If the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT disagrees with the findings of the REPORTS specified in this ANNEX produced by the RAPPORTEUR, the latter may be called upon to explain the methods he used and the results reached, within 5 (five) working days, counted as of the notification of the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, which may be extended when duly justified by the RAPPORTEUR.
- 2.12. Upon receipt of the first INSPECTION REPORT referenced in item 1.7, the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT shall initiate administrative proceedings to review the contents of that and any other REPORTS produced within the scope of this ANNEX.
- 2.13. Upon delivery of the REPORTS described in this ANNEX, and subject to the provisions of item 2.12 above, the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT shall review and deliberate on them expeditiously, to allow for works to proceed.
- 2.14. Regarding the Animal Breeding Stock to be reverted back to the GRANTING AUTHORITY within no less than 120 (one hundred and twenty) days after termination of the CONCESSION CONTRACT, the CONCESSIONAIRE shall deliver the INVENTORY of the FAUNA'S BIOLOGICAL ASSETS pertaining to the CONCESSION AREA, which is to be itemized according to:
 - I. common name;
 - II. scientific name;
 - III. level of endangerment (IUCN);
 - IV. identification number(s) and type(s) (chip, leg ring, tattoo);
 - V. level of endangerment (based on official listings of endangered fauna at both federal and state levels);
 - VI. current breeding stock (Male – M, Female – F., and Unknown - U);
 - VII. native species (N);
 - VIII. exotic (E) or domestic;

STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

- IX. ranking in the Integrated Conservation Plan (ICP);
 - X. origin of the specimen (referencing the type and sourcing all supporting documents accepted by the competent environmental body);
 - XI. individuals frozen by court order or having the CONCESSIONAIRE as their trustee, or still, individuals purchased;
 - XII. assessment of the animal's behavior, investigating occurrences of stereotypic behaviors.
- 2.15. Within at least 120 (one hundred and twenty) days after termination of the CONCESSION CONTRACT, the CONCESSIONAIRE shall deliver the INVENTORY of the FLORA'S BIOLOGICAL ASSETS pertaining to the CONCESSION AREA, which shall be itemized according to:
- I. sequential code for each individual, population (in case of herbaceous and aquatic plants) or vase (for orchid and bromeliad collections);
 - II. botanic identification;
 - III. dendrometric data (height and diameter at breast height – DBH, in the case of individual trees);
 - IV. coverage area in m² (for herbaceous and aquatic plant species);
 - V. plants' health conditions, to be rated as excellent, good, fair, poor or very bad;
 - VI. origin (native or exotic);
 - VII. potential invader;
 - VIII. originating biome;
 - IX. endangerment category;
 - X. location coordinates or polygon;
 - XI. photographic record.
- 2.16. Regulations applying to the COMMISSION and the respective REPORTS, established in this item 2, shall equally apply to the reversal of BIOLOGICAL ASSETS.

3. PROVISIONAL RECEIPT CERTIFICATE

- 3.1. The PROVISIONAL RECEIPT CERTIFICATE shall be signed on the last day of the term of validity of the CONCESSION CONTRACT by the CONCESSIONAIRE, the GRANTING AUTHORITY, and, should a SUCCESSOR exist, the latter shall expressly consent to it, which shall constitute the end of the CONCESSIONAIRE's responsibility for maintaining and operating the ZOO, the BOTANIC GARDEN and the FARM, as well as the reversal of BIOLOGICAL ASSETS back to the GRANTING AUTHORITY.



STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

- 3.2. If any conditions referenced in this ANNEX are pending the CONCESSIONAIRE's compliance, they shall be met under the terms established hereunder:
- I. in case of devolution to the GRANTING AUTHORITY, the conditions pending compliance shall be met based on the schedule to be established under the DEMOBILIZATION PLAN;
 - II. in case of a TRANSFER, if the compliance with the conditions pending by the end of the term of the contract is not viable, the amount corresponding thereto shall be converted into compensation to be paid by the CONCESSIONAIRE to the GRANTING AUTHORITY, or directly to the SUCCESSOR, at the GRANTING AUTHORITY's discretion, with said compensation to be computed according to the economic-financial recovery equation specified in the terminated CONCESSION CONTRACT.
- 3.3. The PROVISIONAL RECEIPT CERTIFICATE shall convey the conditions of REVERTIBLE ASSETS and BIOLOGICAL ASSETS, setting forth the terms for their acceptance, as well as stating that any need to rectify or replace them shall be the CONCESSIONAIRE's responsibility, for which the CONCESSIONAIRE shall be entitled no reimbursement.
- 3.4. In the event that the CONCESSIONAIRE makes any amendments or replacements, the PROVISIONAL RECEIPT CERTIFICATE shall establish the term for their execution, to be duly justified.
- 3.5. Any amendments and replacements made by the CONCESSIONAIRE so as to revert the REVERTIBLE ASSETS back to their proper state of use, or to promote technological enhancements or maintenance, shall not give rise to any right to indemnification or compensation in its favor.
- 3.5.1. Failure to execute amendments and replacements established under the PROVISIONAL RECEIPT CERTIFICATE shall entail the payment of compensation in favor of the GRANTING AUTHORITY, in an amount corresponding to the services that were not executed, without prejudice to sanctions specified in the CONCESSION CONTRACT for any event of breach of contract.
- 3.6. It will be incumbent upon the CONCESSIONAIRE to remove, within the time frame stipulated in the PROVISIONAL RECEIPT CERTIFICATE, all assets used for the CONCESSION that are not deemed REVERTIBLE ASSETS, as well as the non-revertible BIOLOGICAL ASSETS, as established under the CONCESSION CONTRACT and its other ANNEXES.
- 3.7. When devolving the ZOO, the BOTANIC GARDEN and the FARM, as well as the BIOLOGICAL ASSETS, the CONCESSIONAIRE shall adhere to regulations governing the revertability of the Breeding Stock specified in the CONTRACT and in ANNEX III.
- 3.8. The DEMOBILIZATION PLAN shall include a chapter on the revertability of the Breeding Stock, subject to the regulations established under the CONTRACT and in ANNEX III.

4. PROVISIONAL TRANSFER TO SUCCESSOR

- 4.1. Signing of the PROVISIONAL RECEIPT CERTIFICATE shall entail the transfer of operations and maintenance of the ZOO, the BOTANIC GARDEN, the FARM and the BIOLOGICAL ASSETS to the SUCCESSOR, though it shall not exempt the CONCESSIONAIRE from its civil liability to hold the GRANTING AUTHORITY and/or the SUCCESSOR harmless, as a result of the assurance of useful life established in this ANNEX.

STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

5. FINAL ACCEPTANCE CERTIFICATE

- 5.1. Once the observation period of 6 (six) months has elapsed, as of the PROVISIONAL ACCEPTANCE CERTIFICATE, the FINAL ACCEPTANCE CERTIFICATE of the ZOO, the BOTANIC GARDEN, the FARM and the BIOLOGICAL ASSETS shall be drawn up. If, during said time, all requirements listed in this ANNEX are met, the FINAL ACCEPTANCE CERTIFICATE shall certify good standing and authorize the guarantee to be cleared.
- 5.2. If, at the end of 6 (six) months, counted as of the PROVISIONAL ACCEPTANCE CERTIFICATE, the CONCESSIONAIRE has failed to meet all conditions hereunder, the GRANTING AUTHORITY shall be compensated and/or the SUCCESSOR shall be entitled to claim deduction of the respective amount from the useful life guarantee provided by the CONCESSIONAIRE under this CONTRACT.
 - 5.2.1. In the event that the ZOO, the BOTANIC GARDEN, the FARM and the BIOLOGICAL ASSETS are reverted back to the GRANTING AUTHORITY, the guarantee shall be executed in the amount estimated according to the economic-financial recovery equation established under the terminated CONCESSION CONTRACT.
 - 5.2.2. In the event of TRANSFER to the SUCCESSOR, the compensation amount due shall be corroborated by the SUCCESSOR through the institution of appropriate administrative proceedings, to which the CONCESSIONAIRE shall be allowed to respond.
- 5.3. The final responsibilities of the CONCESSIONAIRE are only to terminate within the lawful deadlines in effect at the time. Nevertheless, the CONCESSIONAIRE shall not be released from its civil liability to hold the GRANTING AUTHORITY and/or the SUCCESSOR harmless, as a result of the assurance of useful life established in this ANNEX.
- 5.4. For purposes of estimating compensation due under item 5.2, unit costs to be considered shall be based on public pricing standards in effect, or any document that comes to replace them, and, in the absence of more current information, and at the GRANTING AUTHORITY's discretion, projections made while the BIDDING PROCESS was in place, or other parameters, such as those adopted and published in Brazilian and foreign engineering publications. A market quote may be procured, considering at least 3 (three) suppliers.
- 5.5. The PERFORMANCE BOND shall not be cleared until the FINAL ACCEPTANCE CERTIFICATE has been issued.
- 5.6. Until the FINAL ACCEPTANCE CERTIFICATE has been signed, and regardless of the reason that led the CONTRACT to be terminated, the CONCESSIONAIRE may not execute any dissolution, partitioning of equity, or distribution of valuables, under any pretense, among its shareholders, until the GRANTING AUTHORITY attests, under the FINAL ACCEPTANCE CERTIFICATE, that the REVERTIBLE ASSETS are in proper conditions of use, operation and maintenance, unencumbered by encumbrances or charges, and that the payment of any amounts due to the GRANTING AUTHORITY, by way of compensation or otherwise, is fully secured.

6. TRANSITION

- 6.1. The terms of Section Fifty-Eight of the CONCESSION CONTRACT stipulate the CONCESSIONAIRE's obligations to ensure the proper transition of the ZOO, the BOTANIC GARDEN, the FARM and the

STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

BIOLOGICAL ASSETS to the GRANTING AUTHORITY or to the SUCCESSOR.

- 6.2. In the event of a disagreement or dispute within the COMMISSION as to the need for amendments or about the failure to meet any of the preconditions referenced in this ANNEX, or concerning any of the decisions made by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, the dissenting member shall express the dissenting position, in writing, duly justifying his or her position, to the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, submitting a copy of the document to the other members within no more than 15 (fifteen) days after the objected action, including suggestions as to the alternate courses of action to resolve the refuted or opposed issues, with a cost estimate, when applicable. The other members of the COMMISSION may respond, within 5 (five) days, counted as of the respective notice of dissent.
- 6.3. Notices of dissent received shall be reviewed by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT's staff within 15 (fifteen) working days, counted as of their receipt.
- 6.4. If the dissent produced has been reviewed by the INDEPENDENT RAPPORTEUR, the latter's findings shall be binding upon the CONCESSIONAIRE, prevailing over any prior notices, save in the event of a proven illegality.
- 6.5. The decision by the State Secretary presiding over the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT concerning the dissent expressed by any member(s) of the COMMISSION shall be binding upon it, which shall, immediately upon notification of the decision, take all actions stipulated in view of the signing of the PROVISIONAL ACCEPTANCE CERTIFICATE, when prior to the expiration of the CONCESSION, or the FINAL ACCEPTANCE CERTIFICATE, when during the observation period.
- 6.6. Validation by the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT of the COMMISSION's work, including the INSPECTION REPORTS, shall entail full acceptance, by the CONCESSIONAIRE and the SUCCESSOR, of the ZOO, the BOTANIC GARDEN, the FARM and the BIOLOGICAL ASSETS conditions, provided that any charge incurred by the SUCCESSOR as a result of unpredictable defects, which are not imputable to bad faith on behalf of COMMISSION members, shall be treated as established in the contract that will govern the future concession.
- 6.7. No interference, loss, hindrance or disruption of the provision of services that is the purpose of the CONCESSION CONTRACT shall be admissible, nor will the assignment of any encumbrances not resulting from the CONCESSION CONTRACT to the CONCESSIONAIRE throughout the TRANSITION period.
- 6.8. Any and all joint definitions applying to the CONCESSIONAIRE and to the SUCCESSOR, whether or not associated with the TRANSITION stage, which are strictly private and do not interfere with the appropriate provision of the ADEQUATE SERVICE, shall be notified to the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, though they shall not give rise to any right of recovery in favor of the CONCESSIONAIRE or the SUCCESSOR, nor entail application of any encumbrance against the GRANTING AUTHORITY.