



STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

ANNEX II – SET OF SPECIFICATIONS

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1. ON THE OBJECT OF THE CONCESSION

The object of the BIDDING PROCESS concerns granting of a public use concession aimed at delegating, to the private sector, ventures for funding, preservation, operations, maintenance and economic exploitation of the CONCESSION AREA, corresponding to the territorial share of the grounds within the confines of the Serra do Mar State Park Conservation Unit (PESM), designated in accordance with the perimeters described and detailed in ANNEX I, in addition to enforcing assignments foreseen under this Tender Document.

The scope of the CONCESSION encompasses all activities that the CONCESSIONAIRE needs to perform to execute the object of the CONCESSION, such as, among other things, devising projects, carrying out construction works, funding, purchasing equipment and materials, and providing services, among other items set forth under the AUCTION NOTICE and the CONTRACT.

CAMINHOS DO MAR's economic exploitation shall perceive the grounds as being of environmental interest, and no longer as a highway or haul road, thereby providing tourist, leisure, sports and culinary activities and services, among other things, to visitors seeking to come into contact with its historical and environmental heritage.

2. ON THE JUSTIFICATION

Considering that the purpose of an Integral Protection Conservation Unit is to “keep ecosystems free from changes caused by human interference, allowing for only an indirect use of its natural resources,” pursuant to Federal Law No. 9,985/2000, which introduces the National System of Conservation Units, and considering that the only approved uses are for recreational purposes, environmental education and scientific research, the STATE OF SÃO PAULO FOREST FOUNDATION finds that the concession that is the object of this DOCUMENT shall enable the institution to focus on already available public resources, whether human or financial, to meet the Unit's main purposes, which mostly entail preservation, public use and protection, with these efforts also intended for purposes of inspections, environmental management and enforcement of the MANAGEMENT PLAN's guidelines and lines of action, in addition to monitoring the quality of public use service activities, such as ecotourism and visitation offered to USERS, which shall be carried out in an increasingly efficient and economic manner by the future CONCESSIONAIRE, and which underscore the reasons that justify this CONCESSION.

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The object of this contracting, based on the approval provided for in State Law No. 16.260/2016, has the aim of improving services rendered that are inherent to ecotourism, public use activities in CAMINHOS DO MAR, such as recreation, ecotourism and nature observation, including historical information provided during visits to historical monuments, with potential use of support facilities enabling different options for consumption and well-being, such as food and stores, among other things.

The concessions therefore become an important means of fostering park areas' development. Communities living in its surroundings can consequently benefit either directly or indirectly, whether by working in any of the CASH GENERATING UNITS established in the public use areas, or working in different links of the production chain, thereby boosting the local and regional economy, including, above all, means of adding value and taking in all the Biodiversity – Nature.

To fulfill the object herein, the CONCESSIONAIRE shall, in addition to posing an entrepreneurial mindset, be sensible enough to realize that visitors of the Serra do Mar State Park – particularly CAMINHOS DO MAR, mostly seek to come into contact with nature and historical heritage. This is a demanding target audience when it comes to environmental issues, responsible consumption and the historical significance of this site. Thus, we are talking about rendering services to a distinguished group of visitors who shall go back to their cities recommending the park to their friends, particularly in regard to its lush greenery, historical heritage and quality of services rendered, as well as showing an appreciation for the experience they went through. On the other hand, though, attendance of visitors who are not yet aware of environmental issues shall also be taken into account, and these visitors shall be at least somewhat encouraged and inspired, under the guidelines of the *“to do and feel a part of”* mindset based on the standpoint of sustainability, while reviving and appreciating their cultural and historical heritage due to all the existing natural and cultural resources.

Moreover, it shall be an accessible site, particularly for those who, today, whether for mobility or for fitness reasons, are unable to walk around 8 km to 9 km to visit the historical monuments located in CAMINHOS DO MAR while taking in all the beautiful scenery, something that shall entail efforts aimed at making this site increasingly accessible, while also considering the potential of adding this distinct target audience.

Providing quality services to these visitors means more than simply offering ecotourism activities with high standards of quality and safety, in accordance with the minimum standards set forth under this DOCUMENT, but also fostering USERS' awareness and sensibility on the importance of protecting ecosystems, as well as leading to insights on their own daily lives, and encouraging them to start adhering to sustainable practices and habits that are attuned with the environment, in addition to owning up to their own share of responsibility and respect. It shall also foster appreciation of CAMINHOS DO MAR's cultural and historical identity, which shall bring benefits to local and regional businesses, boosting income generation and entrepreneurship, which are also important premises hereunder.

The expectation is for this unit and its heritage to be acknowledged both nationally and internationally as an important tourist attraction in São Paulo, underscoring the role of the State in the ecotourism and public use industries, as well as their ensuing social and environmental appreciation.

This DOCUMENT brings together the CONCESSION AREA's features, as well as the main guidelines to be used as a cornerstone by its administration. It also lists the CONCESSIONAIRE's assignments

and alludes to indicators used to evaluate its performance regarding the availability and quality of services rendered and visitor facilities, described in ANNEX VII.

3. BACKGROUND OF THE SERRA DO MAR STATE PARK

PESM is an Integral Protection Conservation Unit – UC, under the terms of Federal Law No. nº 9.985/2000, and it is administered by the STATE OF SÃO PAULO FOREST FOUNDATION, which is linked to the SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT. The State Park boasts a magnificent natural heritage, and its past holds a deep connection with both the State and the country's economic development. Sub-items below describe PESM's historical features.

3.1. Creation of the Serra do Mar State Park - PESM

The Serra do Mar State Park was created on August 30, 1977, with its area of 325,390 hectares extending from the state of Rio de Janeiro to the southern part of the state of São Paulo, encompassing 23 municipalities. The purpose of its creation was to ensure full protection of the flora, fauna and natural wonders, as well as ensuring its use for educational, recreational and scientific purposes, as set forth under State Decree No. 10,251 of August 30, 1977. PESM park's grounds were originally composed of a number of previously existing reserves and conservation units.

The reasons for creating the PESM state park, with its current perimeters, relate to: (I) the outstanding existing conditions to meet cultural purposes of preserving native resources and showcasing its lush, natural greenery; (II) the flora, which constitutes a vegetation cover of high scientific and cultural value, boasting subtropical forests featuring a wide range of valuable essences; and (III) the wild fauna, which finds ideal living conditions due to natural conditions persisting to this day, and which restate Serra do Mar's status as a notable birthplace of native, endemic, rare and threatened wild animals.

The Conservation Unit can be deemed a key factor in the history of conservation of protected areas since its MANAGEMENT PLAN, devised in 1975, was the first public document of this kind produced in Brazil. The plan was supported by researchers of the University of Munich, a pioneer institution in environmental studies and landscape planning in Brazil. Ventures carried out to draft said MANAGEMENT PLAN date back to 1973 thanks to the "Landscape Planning and Vegetation Workshop." In 1975, the "State Park Planning" program was finally ministered, leading to its completion.

Creation of this unit comes together with other ventures aimed at fighting the destruction of the Atlantic Rainforest, which gained momentum in the 1980's, uniting players who sought to keep areas in a relative state of conservation simultaneously with traditional peoples, whose lifestyle was one with the forest's natural rhythm. It is worth recalling that the original bioma area is the same where, since the arrival of the Portuguese, nationwide usage and occupational activities were set up, bringing, with them, the consequent impacts common to these types of interventions.

3.2. Occupation of the Itutinga-Pilões Nucleus

CAMINHOS DO MAR comprises the Itutinga-Pilões Nucleus, which is one of PESM park's administrative centers, and is described in item 4 hereunder. Occupation of this area is closely linked to the history that preceded the establishment of the Park itself.

Occupation of the region began to gain momentum starting from 1560, at which time the Jesuits, led by Father José de Anchieta, were granted by Mem de Sá the task of opening up a new route linking São Vicente to the plateau. Called "Caminho do Padre Anchieta" ("Padre Anchieta Trail"), it became the route used to transport products to Santos.

In 1792, a new route was established, the "Calçada de Lorena" Road. Fully paved with cobblestones, this remarkable work of engineering for that time was devised to boost trade and spread out production since the route up the Mountain was somewhat dangerous, with several injured over the years. It was on this route that Prince Regent "D. Pedro" climbed up the mountain towards São Paulo to proclaim the Independence of Brazil on September 7, 1822. During the Brazilian Empire, more specifically in 1844, the route was revamped and earned the name "Estrada da Maioridade" (Maioridade Road) in honor of young prince D Pedro II. Twenty

years later, the road was revamped once again, and then reopened under the name Estrada Vergueiro (Vergueiro Road) in 1864.

In the 1920s, during President Washington Luís's office, eight monuments were built alluding to progress achieved in transport and communication routes between São Paulo and the Port of Santos, in celebration of the Centennial of Brazil's Independence. These monuments were designed by architect Victor Dubugras and posed a neocolonial style typical of 1920s-style architecture. During that same time, the road was paved with concrete and became the first paved road in Brazil, as well as one of the first paved roads in Latin America, signaling the start of the automobile era in the State of São Paulo.

The surrounding area's urban sprawl led to the set up of basic facilities in the region, such as roads, railways, refineries, oil terminals, pipelines, ports, industries, hydroelectric plants, energy lines and radio, TV and telephone antennas, in addition to dams and water collection facilities.

São Paulo's development and the need for better connections with the Port of Santos led to the inauguration, in 1947, of the first lane of the Via Anchieta Highway; in 1953, of the second; in 1974, the north lane of the Rodovia dos Imigrantes Highway was inaugurated; and in 2002, its south lane. Via Anchieta's construction methods were significantly more advanced than those used to build Caminho do Mar's roads. Consequently, the road stopped being the main route used between São Paulo and the State's coast, particularly Santos, becoming underused since then, remaining this way for several decades. From 1992 to 2004, the road was closed and renovated, becoming the Caminhos do Mar Ecotourism Center.

4. LOCATION AND ADMINISTRATIVE ORGANIZATION OF THE SERRA DO MAR STATE PARK

PESM stands at the border between the Metropolitan Region of São Paulo (RMSP), the Metropolitan Region of Baixada Santista, the Metropolitan Region of Vale do Paraíba, and the North Coast on Brazil's economic epicenter. Known as Greater São Paulo, RMSP is Brazil's largest metropolitan region, with nearly 21.5 million inhabitants (2018), as well as one of the world's top ten most populous metropolitan regions. It encompasses 39 municipalities in the State of São Paulo in an intense urban conurbation.

In turn, the Metropolitan Region of Baixada Santista (RMBS) is made up of nine State of São Paulo coastal municipalities, taking up the strip of the coastal plain. To the west, it is confined by the Metropolitan Region of São Paulo and the Serra do Mar; to the south, by the South Coast; to the north, by the North Coast, and to the southwest, by the Vale do Ribeira, whose urban conurbation between the municipalities along the coast has been completed. RMBS's expansion is also limited by the Serra do Mar itself.

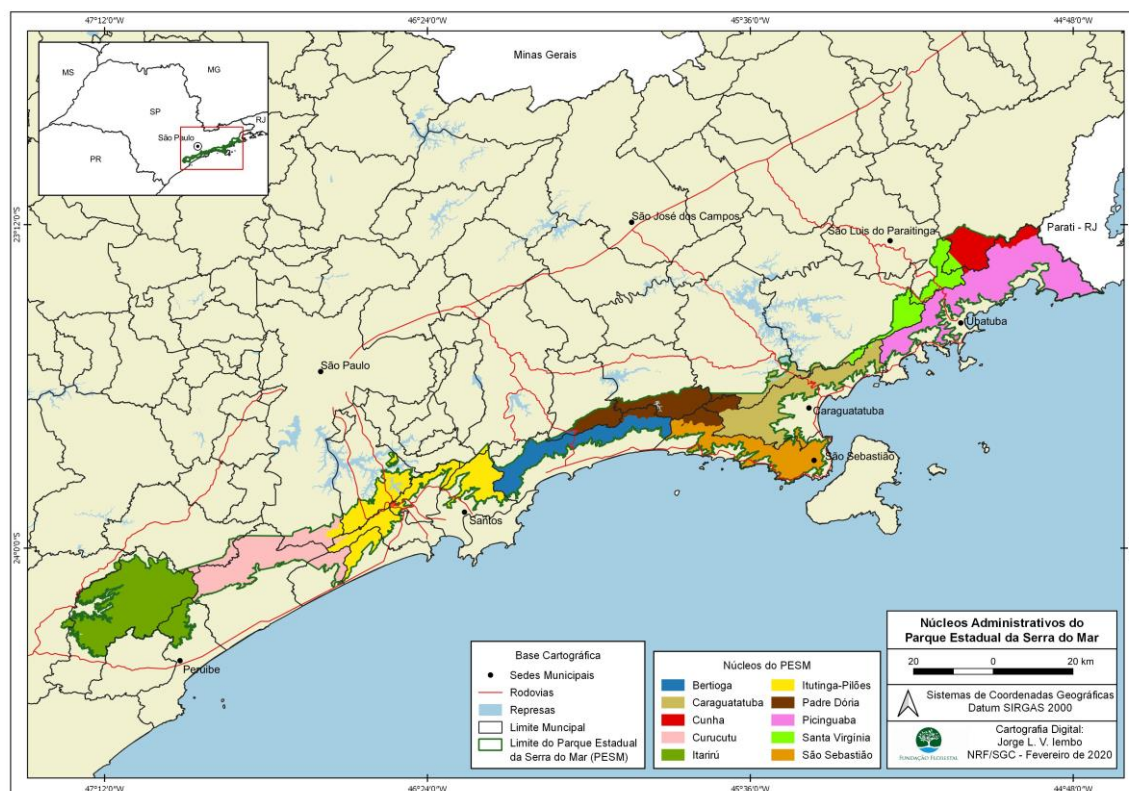
The unit's sheer size and setting leads it to be managed by an overall number of ten administrative nuclei. These Nucleus are responsible for running a wide host of services, separated in accordance with the purpose of use and occupation of the territory, the management programs and their land status (Table 1). CAMINHOS DO AR is a part of the Itutinga-Pilões Nucleus, which encompasses parts of the territories of the Biritiba Mirim, Mogi das Cruzes, São Bernardo do Campo, Santo André, São Paulo, Bertioga, Cubatão, Santos, São Vicente and Praia Grande municipalities (Figure 1).

Table 1. PESM's Administrative Nucleus

Nucleus	Municipalities
Cunha Nucleus	Cunha

Santa Virgínia Nucleus	São Luiz do Paraitinga, Natividade da Serra
Picinguaba Nucleus	Ubatuba
Caraguatatuba Nucleus	Caraguatatuba, Paraibuna, Natividade da Serra
São Sebastião Nucleus	São Sebastião
Bertioga Nucleus	Bertioga, Biritiba Mirim, Mogi das Cruzes
Padre Dória Nucleus	Salesópolis
Itutinga-Pilões Nucleus	Santo André, São Bernardo do Campo, São Paulo, Cubatão, Santos, São Vicente and Praia Grande
Curucutu Nucleus	Juquitiba, São Paulo, Itanhaém, Mongaguá
Itariru Nucleus	Peruíbe, Pedro de Toledo, Juquitiba

Figure 1. PESH's administrative Nucleus



Some of the main current attractions of the Itutinga-Pilões Nucleus include specific trails, CAMINHOS DO MAR and the entire historical framework of existing buildings, as well as buildings dubbed heritage by heritage entities. These buildings are described in-depth in ANNEXES III and IV.

The FOREST FOUNDATION shall remain in charge of the management and operations of the Serra do Mar State Park, except for the bounded designated perimeter of the CONCESSION (CONCESSION

AREA). To this end, FF alongside the GRANTING AUTHORITY shall be responsible for inspecting the CONCESSION CONTRACT and all activities inherent to its performance.

5. DESCRIPTION OF THE AREA OBJECT OF THE CONCESSION AND CURRENT OPERATION OF THE SITE

THE CONCESSION AREA, as pointed out in ANNEX I, comprises a part of the Serra do Mar State Park territory called CAMINHOS DO MAR, which is destined for public use and belongs to the Itutinga-Pilões administrative Nucleus, in accordance with the purposes of this Conservation Unit's MANAGEMENT PLAN.

Areas belonging to the Itutinga-Pilões Nucleus (NIP), totalling 43,800 hectares, stand for approximately 13.19% of PESM's total area, with 332,000 hectares.

Any doubts concerning the limits of this perimeter, consisting of the CONCESSION AREA, may be taken up with the GRANTING AUTHORITY.

The following sub-items describe CAMINHOS DO MAR's physical attributes, as well as how the current administration works, the latter of which are submitted solely for informational and reference purposes. Visitation is planned with a limited number of monitors, on specific operating days, and without local collection (ticket office).

CAMINHOS DO MAR's current operating context works as follows: the FOREST FOUNDATION has been granted specific approvals both by the State Highway Authority - DER / SP and the Metropolitan Water and Energy Company - EMAE SA to manage the site with a focus on public use and protection of these grounds.

The CONCESSIONAIRE may carry out activities foreseen under the CONTRACT at its own discretion - subject to the limitations set forth therein – and distinctly from the way carried out by the current administration; thus, with a wide range of opportunities. The exploitation of CAMINHOS DO MAR, as already pointed out, is conditional upon the provisions of this DOCUMENT, AUCTION NOTICE, CONTRACT and ANNEXES, as well as current regulations and the MANAGEMENT PLAN.

5.1 Location and Contextualization

CAMINHOS DO MAR, an old wagon road that begins on km 38+100 in São Bernardo do Campo (23°48'45.62 "S 46 ° 28'51.58" O) and ends on km 50+700 in Cubatão (23°52'22.45 "S 46 ° 25'42.23 "O), is administered by the STATE OF SÃO PAULO FOREST FOUNDATION alongside DER/SP, and is focused on public use and recreational visitation of historical/cultural and environmental sightseeing. Regarding its use for highway purposes, it is regulated by CONCESSION CONTRACT FOR USE No. 1/2020, executed between the Public Treasury and DER/SP, and by the JOINT SIMA-SLT RESOLUTION 001 of September 11, 2020, set forth under ANNEX VI, which shall be complied by the CONCESSIONAIRE. The current entrance gate is located in the municipality of São Bernardo do Campo, at coordinates 23°51'3.77 "S 46 ° 28'1.27" at the highway's km 42+000.

Also known as "Estrada Velha de Santos" ("Old Santos Road"), Highway SP-148 connects São Paulo State's coast to the plateau, stretching through the Greater ABC metropolitan region. It has been closed to vehicles in general since 1985, and is currently restricted to service vehicles as well as for the protection and administration of the area, and is operated by EMAE SA, the FOREST FOUNDATION and the Environmental Military Police, as well as by additional emergency service providers – the Fire Department. As for USERS,

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access is granted by means of prior consultation to the FF on specific days, although this stretch shall currently be covered by foot only.

The municipality of São Bernardo do Campo is about 20 km away from the center of the city of São Paulo and 40 km from the Port of Santos. Anchieta, Imigrantes, Índio Tibiriçá and the south stretch of the Rodoanel Beltway cut through the Municipality's territory. Furthermore, it is located about 20 km from Congonhas Airport and 45 km from Cumbica International Airport in Guarulhos. This strategic geographical location is a testament to the potential flow of people able to visit the CAMINHOS DO MAR region, and who may be targeted to receive information on the possibilities of visiting, by means of promotional material and partnerships.

As mentioned above, the site is a tributary of an urban interaction system of national significance, linking the Greater São Paulo area to the Baixada Santista. This connection, which entails around 25 million people, is key in developing CAMINHOS DO MAR since most of the park's target audience resides in this area, in addition to the interaction between the Greater São Paulo area and the Baixada Santista, which poses a widespread transport connection between these two areas, which always cuts through Serra do Mar. São Paulo is also the gateway for outside visitors from other Brazilian states as well as other countries. Moreover, both metropolitan areas have an event calendar and attractions of general interest that can be adjusted to visitations made to CAMINHOS DO MAR or to enable the park to become a converging point for integration activities between both of these areas.

Currently, the main issues faced by the Itutinga-Pilões Nucleus of the Serra do Mar State Park result precisely from it being squeezed between RMPS's urban occupation on the plateau, and the industrial occupation in the Baixada Santista. In addition to these issues, other general problems faced by PESM, which do not only concern the Nucleus where CAMINHOS DO MAR is located, involve the disorderly occupation of public domain areas by clandestine occupations at Água Fria and Cubatão municipality neighborhoods above 100 meters of elevation, as well as the construction of the southern stretch of the Rodoanel Beltway, already on the plateau, connecting Highways BR-116 to the Anchieta-Imigrantes system. Another point worth mentioning is that the region where the Itutinga-Pilões Nucleus is located is surrounded by industrial and petrochemical centers, composed of companies like USIMINAS and PETROBRAS' Presidente Bernardes Refinery.

The current MANAGEMENT PLAN brings forward both the territory's physical and biotic, as well as socio-environmental features. It also sets forth current usage regulations as well as which activities are permitted, according to their zoning – both for inside Park areas and their surrounding areas, the Buffer Zone. This is a key document that establishes guidelines and measures for this unit.

CAMINHOS DO MAR is also linked to the State of São Paulo's energetic development, more specifically with the construction of the Henry Borden Power Plant. Located at the foot of Serra do Mar in Cubatão, this industrial complex features two high head hydroelectric plants (720 m) called External and Underground, with 14 sets of Pelton turbine-powered generators, making up for an installed capacity of 889MW for a flow rate of 157m³/s. Since October 1992, operation of this system has been carried out in compliance with the conditions set forth under Joint Resolution SMA/SES 03/92 of October 4, 1992, and updated by Resolution SMA-SSE-02 of February 19, 2010, which only allows water of the Pinheiros River to be pumped to the Billings Reservoir for flood control purposes, lowering energy generated by the Henry Borden Power Plant by approximately 75%.

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This energy generation venture is managed by EMAE S.A.; thus, the expectation is for the future CONCESSIONAIRE to establish and keep a close relationship with EMAE AS, aimed at developing CAMINHOS DO MAR, and foreseeing potential new activities, uses and interactions related to recreational, scientific, educational and adventure tourism. This relationship between the CONCESSIONAIRE and EMAE S.A., under the scope of the CONCESSION, shall be based on the compliance of the coexistence guidelines established in ANNEX V.

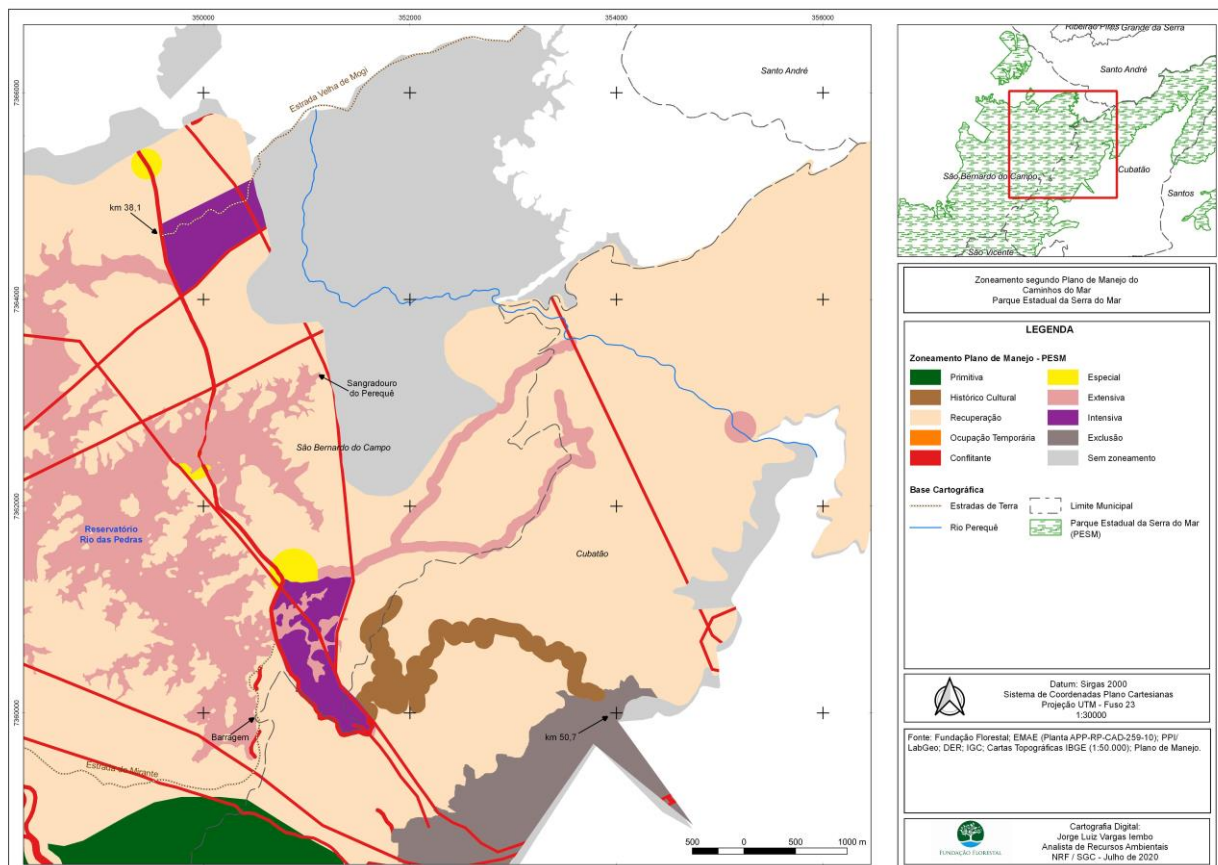
EMAE S.A. is the current holder and operator of a hydraulic system and electrical power generator located in São Paulo's Metropolitan Region and in the Baixada Santista. Said system is made up of reservoirs, canals, power plants and related facilities, and it is mostly aimed at operations geared towards an optimum supply of surface water and the pursuit of multiple-use of available water body sources, therefore bringing together energy generation, flood control and untreated water for public supply.

5.2. Zoning

The MANAGEMENT PLAN sets forth CAMINHOS DO MAR'S zoning, which establishes specific regulations and purposes tailored to each part of its territory, and which is a result of environmental vulnerabilities ascertained.

CAMINHOS DO MAR's zoning takes into account types of vegetation, types of threatened fauna, vulnerabilities inherent to the physical environment, on-site buildings, land use and pressure vectors as environmental data for its development.

Figure 2. CAMINHOS DO MAR's Zoning Map.



Regarding CAMINHOS DO MAR's zoning, it is also important to note that each zone has different features resulting from how the territory was historically occupied, as well as by its future purposes. Within PESM park's zoning, the Itutinga-Pilões Nucleus poses several different zonings, which are conditional upon both their occupation process and the distinct ecological processes existing in the nucleus.

Areas adjacent to highways and basic infrastructure, such as high-voltage grids and Petrobras gas pipelines, among others, are deemed Zones of Conflicting Use. Areas with use and occupation are Intensive and/or Extensive Zones, while areas undergoing recovery proceedings are deemed Recovery Zones. Finally, there is the old Santos road, labeled as a Historical-Cultural Archeological Zone, which boosts the appreciation for its historical occupation and its cultural and architectural heritage buildings. To this end, any and all research, use, intervention, recovery or restoration projects in these specific grounds of the Park shall abide by the same rules that usually apply to historical and cultural heritage, such as those published by CONDEPHAAT and Cubatão's municipal historical heritage body, in addition to any other bodies potentially deemed relevant.

Areas object of the CONCESSION are those where zoning allows for public use, in other words, a specific level of visitation set forth under ANNEX I as ZUI, ZUEX, ZHC and ZR, whereas regulations concerning their uses are established in the Management Plan, available in full at

<https://www.infraestruturameioambiente.sp.gov.br/fundacaoflorestal/planos-de-manejo/planos-de-manejo-planos-concluidos/plano-de-manejo-pe-serra-do-mar/>.

Listed below are the corresponding areas of each Zone's CONCESSION AREA:

Table 2. Internal zoning and overall areas of CAMINHOS DO MAR's zones in hectares.

Zones	Concession (ha)	Counterpart (ha)	Optional (ha)	Grand Total (ha)
Conflicting	26.20			26.20
Special	11.90			11.90
Extensive	48.47		1.40	49.87
Cultural Historical	14,84			14.84
Intensive	35.01			35.01
Recovery	138.17		7.02	145.19
Without Zoning		29.64		29.64
Grand Total	274.59	29.64	8.42	312.65

It is worth noting that for all zone categories, potential uses should not put biodiversity in risk, particularly threatened species and/or species in risk of extinction.

5.3. Current infrastructure

Listed below are CAMINHOS DO MAR's main current facilities, in addition to their attractions, types and industries, as set forth under ANNEX I.

Table 3 – Current Infrastructure, Attractions and Historical Monuments in the CONCESSION AREA

Nº	Type	Park Area	Item
1	User support	Plateau	Support Base - São Bernardo do Campo
2	User support	Mountain	Support Base 2 - Cubatão
3	User support	Plateau	São Bernardo do Campo Reception Service
4	User support	Mountain	Alto da Serra Guest House
5	User support	Mountain	Cubatão Reception Service
6	User support	Plateau	Parking Space
7	User support	Plateau	Support Base 3 – EMAE S.A.
8	Historical Monument	Plateau	Paranapiacaba Resting Place
9	Historical Monument	Plateau	Ruins
10	Historical Monument	Mountain	Pico Landmark
11	Historical Monument	Mountain	Belvedere Circular Monument

12	Historical Monument	Mountain	Maioridade Ranch
13	Historical Monument	Mountain	Padrão do Lorena Monument
14	Historical Monument	Mountain	Pontilhão da Raiz da Serra Monument
15	Historical Monument	Cubatão	Cruzeiro Quinhentista Monument
16	Historical Monument	Mountain	Calçada do Lorena Road
17	Attraction	Plateau	Rio do Ouro Trail
18	Attraction	Plateau	Perequê Trail
19	Attraction	Plateau	Travessia Trail
20	Attraction	Plateau and Mountain	Caminhos do Mar Highway – SP 148

Facilities and attractions listed above are described in ANNEX I and comprise the CONCESSION AREA. Moreover, rules and guidelines for exploiting CAMINHOS DO MAR as a whole are set forth throughout this DOCUMENT, as well as in additional documentation relating to the CONCESSION.

5.3.1. Buildings

ANNEX III brings guidelines for INTERVENTIONS concerning new construction works, as well as for renovations and RESTORATIONS. Potential demolitions or deconstructions of properties not listed as heritage buildings by historical and cultural heritage entities shall have the GRANTING AUTHORITY'S no-objection, while complying with the concerning regulations.

ANNEXES III and IV bring executive projects and spreadsheets with figures concerning budgets for mandatory RESTORATION of heritage buildings, as set forth under the CONCESSION CONTRACT. This RESTORATION shall be contracted and carried out by the CONCESSIONAIRE, at its own responsibility, while taking into account the allocation of risks provided for in the CONTRACT, whereas the provision of resources to carry out activities foreseen under ANNEXES III and IV shall take place in accordance with the CONTRACT.

5.3.2. Parking Space

CAMINHOS DO MAR features approximately 11,000 m² of space, with a paved cobbled area to be used as a parking space. These grounds currently hold approximately 140 car spaces and 25 bus spaces, though they have a capacity of up to 450 spaces, which shall be distributed according to the INTERVENTION PLAN, and the MANAGEMENT AND OPERATION PLAN mentioned from item 6.1 onwards herein.

There is currently no charge to use the parking space due to the need to adapt parking spaces for use, as well as to purchase insurance; nevertheless, the CONCESSIONAIRE is not forbidden to charge for use of this space, which includes possibility of other uses without this entailing reclassification or damages, after all necessary adjustments and adaptations are made.

5.3.3. Trails

CAMINHOS DO MAR currently features trails with distinct features, although the main attraction should be deemed the descent of the mountain – the Caminhos do Mar Highway - SP-148 - Historical Monument Trail, which is ready for visitation and highly sought out by visitors, whether looking to see the

historical monuments or take in the beautiful natural scenery. This route features another important trail called “Calçada do Lorena.” Other trails are also available, even though they have specific uses due to their difficulty levels and the need for minimum support facilities, these being: Trilha do Perequê (Perequê Trail) or Trilha dos Sete Morros (Seven Hills Trail, also known as the Trilha da Cachoeira da Torre (Cachoeira da Torre Trail)), and Trilha do Rio do Ouro (Rio do Ouro Trail). There is still the Trilha da Travessia (Travessia Trail), which is currently idle but also included in the MANAGEMENT PLAN.

Trails are described below and listed in ANNEX I. With the exception of the Historical Monument Trail, a width of 50 meters should be considered on each side of the dirt trails.

5.3.3.1. Caminhos do Mar – Historical Monument Trail

Nestled inside the Serra do Mar State Park - Itutinga-Pilões Nucleus, it encompasses one of the country’s most history-ridden highways: initially called “Estrada da Maioridade” (Maioridade Road) (inaugurated in 1841 and named in tribute of the emancipation of D. Pedro II), but also known as Estrada do Vergueiro (Vergueiro Road) since Senator Vergueiro took over the road in 1864, and was therefore honored for it. In 1926, on the roadbed of this old pathway, the first paved road in reinforced concrete was completed not only in Brazil, but in the whole of Latin America. Known, back then, as the “Estrada Velha de Santos,” (Old Santos Road), it was once one of the most important roads in the State.

This famous “winding” road is home to an important and invaluable Historical Cultural Heritage listed by CONDEPHAAT in 1972 - which includes monuments built in 1922 as a tribute to the 100th anniversary of the Proclamation of the Republic, these being: Pontilhão Raiz da Serra Monument, Belvedere Circular Monument, Padrão de Lorena Monument, Rancho da Maioridade (Maioridade Ranch), Pouso de Paranapiacaba (Paranapiacaba Resting Place), Ruins, and Cruzeiro Quinhentista Monument, the latter already in Cubatão. In addition to these sites, it also boasts the Monumento do Pico (Pico Landmark), which stands on the crest of Serra do Mar, as well as the Calçada do Lorena Road.

Since this is a road tour, it takes place entirely on paved stretches, which alternate between asphalt, reinforced concrete and stones. The Caminhos do Mar Highway intersects with Calçada do Lorena in three different points during this route.

The tour kicks off at São Bernardo do Campo and wraps up in Cubatão, with both of these areas currently closed off by entrance gates. The walking tour takes place on a concrete winding road amidst the Atlantic Rainforest, while visitors take in all the historical monuments.

Eight to 9 km long (back and forth) and with an elevation profile of 726 to 750 meters, the route takes 4:30 hours to 5 hours to complete and is deemed a medium difficulty route (considering only the paved stretch).

Visitors can also head to the Padrão do Lorena Monument, which is a watchtower where, on clear days, they are able to see the entire BAIXADA SANTISTA, as well as all the landscape that the Atlantic Rainforest has to offer at the Serra do Mar Region.

5.3.3.2. Calçada do Lorena Road

This cobblestone trail descends the mountain, meeting the Caminhos do Mar Highway right at the historical monument called Padrão do Lorena. Built at the end of the 18th century, it was the first paved road linking the city of São Paulo to the São Paulo State coast and was constructed with selected rocks and crafted

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by hand. Though it was mostly used to transport products, it also became a landmark in Brazilian history after, in September 1822, Dom Pedro I went up the Calçada do Lorena Road towards the São Paulo plateau, where he would go on to proclaim Brazil's independence.

The Calçada do Lorena Road has a 3.3 km course starting at the plateau and ending at the Padrão de Lorena Monument. It poses a medium difficulty level and includes several stops to observe all the local biodiversity, which is why it has the potential to develop activities like ecotourism, environmental education and scientific research.

The trail is covered by vegetation typified as secondary forest in a dense ombrophile and submontane montane rain forest in several stages of natural regeneration.

A trail mostly paved in stones dug up from the riverbed, it was built in 1792 and poses great historical, touristic and fauna value, offering possibilities for quick visits aimed at bird sighting since it is less than an hour away from São Paulo, though it is also very steep and slippery.

The first stopping point is the Monumento do Pico (Pico Landmark) lodged on Serra do Mar's hillside. The location provides a beautiful view of the slopes and the municipality of Cubatão, making it a perfect location for discussions about historical and geographical issues.

There is the possibility of extending the route by continuing the trail route and descending the mountain. This is only one of the several options that shall be appraised by the CONCESSIONAIRE and implemented, as the case may be, upholding all contractual rules to this end.

It features an overlook, the Pico Landmark, with views to the Baixada Santista, and on days free of "Mountain mist," visitors are able to see the Laje de Santos Marine State Park all the way out at 45 km from the coast, with its rocky formations in an ocean coastline setting.

5.3.3.3. Perequê Trail

The Trilha do Perequê (Perequê Trail) is also known as the Trilha da Cachoeira da Torre (Cachoeira da Torre Trail) and the Trilha dos Sete Morros (Seven Hills Trail). It features a 4.2 km-long route in the plateau region. It starts on a maintenance road originating from the park's parking space. The trail leads to the Cachoeira da Torre waterfall, with its falls of varying sizes and natural formation pools.

The route has several uphill and slopes (reason why it is called the trail of the seven hills), with a medium/high difficulty level. During the tour, visitors can see both rural and forested native environments, and there is a strong appeal for spotting fauna and remains. The trail's end destination makes for one of the most beautiful waterfalls in the whole State of São Paulo.

5.3.3.4. Travessia Trail

This trail allows access to the Cachoeira do Perequê (Perequê Waterfall). The route is partially built in an extension of 1.6 km, but it is necessary to adjoin it to the Perequê trail through a new stretch approximately 1 km wide.

5.3.3.5. Rio do Ouro Trail

The Trilha do Rio do Ouro (Rio do Ouro Trail) departs from Mogi das Cruzes' "Estrada Velha" (Old Road), or Caminho do Sal (Salt Trail), following along the bed of the Rio do Ouro River, which climbs all the way up to the Cachoeira da Torre Waterfall, finally ending at the Perequê River. With a total extension of 4.4 km on its way up and a medium/high difficulty level, the route cuts through a recently added part of the PESM park and still lacks a MANAGEMENT PLAN for the entire site (3.4 km).

During the tour, visitors are able to take in beautiful sceneries, vegetation and a considerable fauna.

The group of trails made up of Sete Morros, Rio do Ouro and Travessia offer bathing possibilities in wells and natural pools, as well as rappelling and cascading. For visitors interested in adventure activities, the trail can last the entire day.

5.3.4. Accessibility

CAMINHOS DO MAR requires certain interventions when it comes to accessibility since most of the attractions and facilities are located in mountainous areas, and all trails entail a certain level of risk.

5.4. CAMINHOS DO MAR Visitation

While operations were run by Fundação Saneamento e Energia (Sanitation and Energy Foundation, freely translated) alongside EMAE SA, visitation took place through a structured public use program planned from 1999 to 2003, starting its operations in 2004 and finally shutting down in 2011. The main purpose of the program was: "to enable public visitation, recreation, education, environmental interpretation and ecotourism programs in designated areas of the Serra do Mar State Park/Itutinga-Pilões Nucleus, and to operate a historical cultural route along the Caminho do Mar Road."

In all, from 2004 to 2011, CAMINHOS DO MAR was visited by 192,049 people. The main target audience verified by Fundação Energia e Saneamento (Sanitation and Energy Foundation, freely translated) was comprised of:

- Public and private schools;
- Tourism and ecotourism agencies;
- Private companies;
- Clubs and associations; and
- NGOs.

In addition to these, there was also a general public for events carried out:

- Sports events (races, bicycles etc.);
- Automakers for promotional events and to launch new cars; and
- Recording footage for commercials.

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There is no consolidated data on CAMINHOS DO MAR's visitor numbers for the 2011 to 2015 period. CAMINHOS DO MAR visitation began to be operated by the FF starting from 2015-2016. According to FF data, we can see that there was an average overall number of 11,628 visitors/year from 2016 to 2019, with their information broken down below:

Tabela 5: Total Number of Visitors – CAMINHOS DO MAR – 2016-2019.

Total Number of Visitors – CAMINHOS DO MAR				
Year	2016	2017	2018	2019
Number of Visitors	14,391	14,064	13,673	17,338

Visitors can currently be divided into two groups: paying customers (full or half price) or non-paying customers, which, in turn, are broken down into six categories: public network schools, seniors, children, guides, teachers, and other non-paying customers. Public network schools and seniors stand for 57% and 15% of the overall number of non-paying customers, respectively. The significance of these categories stems from the fact that the Park does not currently have relevant means of economically exploiting non-paying customer groups, even though the demand for these types of customers in the Park has grown significantly. Thus, the business model proposed should necessarily look into solutions for the site to successfully monetize the demand coming from this group.

Among overall CAMINHOS DO MAR visitors, nearly half are people who pay full price, usually composed of adult tourist couples. The remaining attendees range from non-paying customers (approximately 35% of the overall sum) to half price-paying customers (students, around 15%). Non-paying customers are consequently a significant share of current visitors, particularly with respect to those older than 60. To this end, senior citizen customers actually constitute more visitors than children.

Below, we display CAMINHOS DO MAR's seasonality curve:

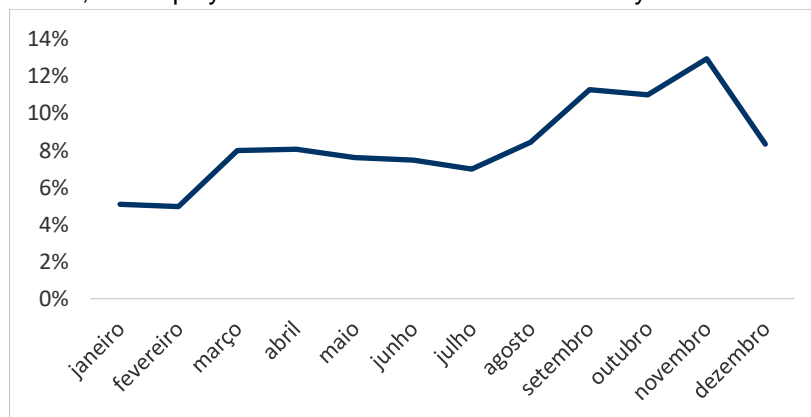


Figure 3. Visitor seasonality in 2018

OBS: NO GRÁFICO: January, February, March, April, May, June, July, August, September, October, November, December

5.5. Current services

Currently, public visitation with a “cultural historical itinerary” is offered upon prior appointment made by telephone. Environmental monitoring or appointment of independent contractor services to escort visitors are available, allowing up to 800 visitors to be scheduled per day.

The itinerary allows visitors to become acquainted with the historical sites and Highway SP-148 itself, whose construction represented the beginning of the use of engineering techniques. It also enables customers to take in the natural scenery and landscapes, as well as enabling access to hiking trails. It is worth mentioning that to visit the trails currently, visitors should take into account climatic conditions as well as their physical fitness levels.

Winning the CONCESSION shall entail taking into account any potential limitations concerning the legislation or the MANAGEMENT PLAN, in addition to sizing up CAMINHOS DO MAR’s capacity when it comes to the number of visitors due to the current infrastructure, new uses and planned facilities. Currently, there are no food or souvenir services on-site; however, the CONCESSIONAIRE is expected to develop activities, attractions and services that it deems necessary to adequately exploit and operate CAMINHOS DO MAR.

ANNEX II sets forth certain INTERVENTIONS required for use of CAMINHOS DO MAR, although additional INTERVENTIONS, uses and services shall be developed by the CONCESSIONAIRE in compliance with its plans to exploit CAMINHOS DO MAR, and under the terms of the CONCESSION CONTRACT and ANNEXES, and complying with the MANAGEMENT PLAN.

5.6. Current opening hours

CAMINHOS DO MAR is currently open to the public from Thursday to Sunday and on holidays, from 9 am to 5 pm, with entrance allowed until 4 pm. There is no ticket office on site, with prior booking required to allow entrance to the site, which must be confirmed by the FOREST FOUNDATION after receiving proof of payment of the ticket.

No restrictions shall be set by the GRANTING AUTHORITY regarding CAMINHOS DO MAR’s operations, and the CONCESSIONAIRE shall define its own operating parameters (days and times), provided it does not set forth a more restrictive policy than the one currently in force.

5.7. Staff

CAMINHOS DO MAR currently has 3 employees, 2 of which are linked to the FOREST FOUNDATION (manager and park ranger), while the other employee is linked to the Forest Institute, as follows:

- 2 from FF: Manager and park ranger;
- 1 from the Forest Institute:
- 15 outsourced employees:
 - a. 4 watchmen;
 - b. 3 cleaning personnel;
 - c. 8 environmental monitors.

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The CONCESSIONAIRE is responsible for appraising the number of personnel required to exploit CAMINHOS DO MAR, who shall meet the assignments of this DOCUMENT, the PERFORMANCE INDICATORS and the CONTRACT.

5.8. Current ticketing policy

Normative Ordinance FF/DE No. 313/19 provides for the ticketing system, services and use of facilities and equipment installed in FOREST FOUNDATION-managed Conservation Units. Ticketing policies for future administrations are addressed in ANNEX IX.

Currently, admission to PESM - CM has a full unitary price of R\$ 32, while R\$ 16 is the price for half-price tickets (e.g. students, upon presentation of proof).

5.9. Advisory Board

As set forth under Article 29 of Federal Law 9.985/2000 - SNUC, CAMINHOS DO MAR, managed by the Itutinga-Pilões Nucleus, has an Advisory Board chaired by the body in charge of the administration, the SÃO PAULO STATE FOREST FOUNDATION, which consists of public body and civil society organization representatives. It provides an important means of consultation and support, further validating its administration.

As provided for in Article 20 of Federal Decree No. 4,340/2002, the Conservation Unit's Advisory Board is responsible for:

- I - devising its bylaws within up to ninety days effective its establishment;
- II - following up on and devising, implementing and reviewing the Conservation Unit's MANAGEMENT PLAN, if applicable, thereby ensuring its participatory nature;
- III - seeking to integrate the Conservation Unit with particularly protected remaining units and territorial spaces, as well as with their surroundings;
- IV - endeavouring to align the interests of the wide host of social segments related to the unit;
- V - evaluating the unit's budgeting and yearly financial statement devised by the executing body with regard to the Conservation Unit's goals;
- VI - providing its opinion, in the case of the advisory board, or confirming, in the case of the decision-making body, contracting and provisions of the partnership contract with OSCIP, in the event of shared management of the unit;
- VII - following up on the OSCIP's management and recommending termination of the partnership contract in case breaches are verified;
- VIII - speaking up on construction works or activities potentially capable of impacting the Conservation Unit in its buffer zone, mosaics or ecological corridors; and
- IX - recommending guidelines and measures to integrate, enhance and make the relationship with the adjacent population or those living inside the unit compatible, as applicable.

Regarding the CAMINHOS DO MAR area, the Advisory Board of the Itutinga-Pilões Nucleus was established through Resolution SMA no. 202 of December 27, 2018, with it being officially composed of:

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- Public Authority: representatives of the FOREST FOUNDATION, Environmental Military Police, Baixada Santista's Metropolitan Agency, Federal Institute of Education, Science and Technology of São Paulo – Cubatão Campus and municipalities, Praia Grande and Santo André; and
- Civil Society: seven representatives of associations, foundations and Sociedade Amiga NGO, in addition to OAB (Order of Attorneys of Brazil) and São Judas Tadeu University representatives.

5.10. Service Contracts

CAMINHOS DO MAR's current operation includes six contracts that entail costs and expenditures with the unit. These can be split into five main groups: Cleaning, Reception Entrance, Security Surveillance, Monitoring and Construction Works.

After signing the Term of Delivery of the Public Asset, the GRANTING AUTHORITY and FF shall be responsible for amending or terminating contracts that they have in the CONCESSION AREA, and they shall no longer be responsible for these services in the CONCESSION AREA. The CONCESSIONAIRE shall be responsible for appraising and sizing up the number of staff and outsourced services required for CAMINHOS DO MAR's operations, in accordance with its convenience, and ensuring the safety of both attractions and areas, pursuant to the responsibilities set forth under the CONTRACT, the assignments foreseen under this DOCUMENT, and in the PERFORMANCE INDICATORS.

6. GENERAL GUIDELINES FOR EXPLOITING CAMINHOS DO MAR

The following are guidelines for exploiting the CONCESSION AREA. Furthermore, whatever is established in the CONTRACT, ANNEXES, AUCTION NOTICE and in the MANAGEMENT PLAN shall also be duly complied with.

Exploitation of CAMINHOS DO MAR to be carried out by the CONCESSIONAIRE may entail different features than the standards set forth under this ANNEX, CONTRACT and additional ANNEXES, provided it complies with the minimum mandatory conditions of this CONCESSION, and does not breach applicable rules pertaining to the MANAGEMENT PLAN.

CONCESSION-related documents that may be provided by the GRANTING AUTHORITY, except when clearly stated that compliance with them is mandatory, shall be deemed merely reference, and their use or amendment shall be the sole responsibility of the CONCESSIONAIRE, who shall bear the costs and undertake the required procedures, on its own behalf, to appraise the extent to which they may be potentially used or devised.

The CONCESSIONAIRE shall submit reports of records at the unit, particularly those defined in ANNEX VII, in addition to an annual report consolidating all activities carried out as well as the GRANTING AUTHORITY's assignments within 90 days after each CONTRACT anniversary. These annual reports, as well as those of the INDEPENDENT VERIFIER, upon completion for appraisal of granting VARIABLE CONCESSIONS, shall be published on the CONCESSIONAIRE's website for open access.

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The CONCESSIONAIRE shall annually, and within the deadline defined above, submit to the Advisory Board a report on all activities carried out in the previous year and, upon request, shall attend regular meetings of this Board.

The request shall be made by notification, at least 10 (ten) working days in advance, by the GRANTING AUTHORITY, regardless of whether requested by the Park's Managing Body or by members of said Board, prior to the meeting taking place.

6.1. Plan Presentation

6.1.1. INTERVENTION PLAN

Following the DATE OF EXECUTION, the CONCESSIONAIRE shall have a deadline of 6 (six) months to submit to the GRANTING AUTHORITY an INTERVENTION PLAN for no-objection by the GRANTING AUTHORITY, which shall address INTERVENTIONS planned for the CONCESSION AREA, pursuant to the following terms:

- THE INTERVENTION PLAN shall be updated from time to time, at least each four years, and shall be submitted to the GRANTING AUTHORITY under the terms of the CONTRACT. Whenever changes or adjustments to construction works or renovations are made in the CONCESSION AREA with a shorter deadline than the review deadline established in the INTERVENTION PLAN, the CONCESSIONAIRE shall submit a specific modification proposal to the GRANTING AUTHORITY, complying with the contractual regulations on the approval of construction works and interventions in CAMINHOS DO MAR; and
- As set out under the CONTRACT, the CONCESSIONAIRE shall submit an IMPLEMENTATION PLAN tailored to Highway SP-148 up to 60 (sixty) days from the DATE OF EXECUTION, which shall comprise the INTERVENTION PLAN, upon its completion.

The INTERVENTION PLAN shall submit a comprehensive timetable of everything that will be done in the CONCESSION AREA, while envisioning a horizon of at least four years, in compliance with the CONCESSIONAIRE's interests and mandatory assignments. For construction works and infrastructure renovations in the CONCESSION AREA, the CONCESSIONAIRE shall submit its INTERVENTION proposal upholding the guidelines of ANNEX III.

This PLAN may be revised from time to time, or whenever new adjustments are proposed; however, it will enable the GRANTING AUTHORITY to follow up on planned interventions. If any interventions are required before this deadline, the CONCESSIONAIRE shall send proposals in a timely manner.

6.1.2. MANAGEMENT AND OPERATION PLAN

In addition to the INTERVENTION PLAN, the CONCESSIONAIRE shall submit, up to 120 (one hundred and twenty) days after the DATE OF EXECUTION, a MANAGEMENT and OPERATION PLAN for CAMINHOS DO MAR, which shall address the following points, in accordance with the assignments set forth under item 7 hereunder, and split into the following subjects:

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- Management and Operation of CAMINHOS DO MAR, with specific management and operational approaches for the SP-148 Highway stretch covered by the CONCESSION AREA and complying with the guidelines of the JOINT SIMA-SLT RESOLUTION 001/2020.
- CONCESSION AREA and USER safety;
- CONTINGENCY PLAN addressing, among other things, how CAMINHOS DO MAR will be run, and including measures for stopping people from accessing equipment bordering the Henry Borden Power Plant, while upholding the provisions of ANNEX V;
- Risk matrix and contingency measures addressing, among other things, potential interurrences resulting from operation of the Henry Borden Power Plant, and taking into account the contents of ANNEX V;
- Waste Cleaning and Management;
- Maintenance of Assets, CONCESSION AREA and Green Spaces;
- Communications, Promotions and Environmental Education;
- Monitoring Visitor Impact; and
- Research Program to Assess USER and Community Satisfaction.

As set forth under the CONTRACT, the CONCESSIONAIRE shall submit a specific MANAGEMENT AND OPERATION PLAN for SP-148 up to 60 (sixty) days from the DATE OF EXECUTION, which shall then comprise CAMINHOS DO MAR's MANAGEMENT AND OPERATION PLAN upon its completion, as stated above. The scope of this plan shall also foresee activities for the CONCESSION AREA with regard to use of Highway SP-148, such as events, competitions, sports races and filming.

CONCESSION-related documents which may be provided by the GRANTING AUTHORITY, except when clearly stated that compliance with them is mandatory, shall be deemed merely reference, and their use or amendment shall be the sole responsibility of the CONCESSIONAIRE, who shall bear the costs and carry out the required procedures, on its own behalf, to appraise the extent to which they may be potentially used or devised.

THE MANAGEMENT AND OPERATION PLAN shall be updated from time to time, at least every four years, and shall be submitted to the GRANTING AUTHORITY under the terms of the CONTRACT. In case any modifications or adjustments are made, the CONCESSIONAIRE shall submit the specific modification proposal to the GRANTING AUTHORITY.

The CONCESSIONAIRE shall arrange, throughout the entire term of the CONCESSION, approvals of material and/or non-material heritage entities required due to buildings in the area being declared listed as heritage buildings by the Secretariat of Culture Resolution no. 40/85, with regard to listing Serra do Mar and Paranapiacaba, and their respective Parks, Reserves and Protected Areas as heritage sites, in addition to spurs, isolated hills, islands and plains.

In the specific case of heritage buildings RESTORATIONS, ANNEX IV brings an approval granted to FF concerning the specific executive project devised – Condephaat Official Notice 1.297/2019.

6.2. Operation

CAMINHOS DO MAR's public use spaces, object of the CONCESSION, shall be open for visitation at least from Wednesday to Sunday, from 8 am to 5 pm, with opening hours until 6 pm.

The CONCESSIONAIRE may choose to implement different opening hours and days, in accordance with the minimum requirements set forth above, and always upholding the MANAGEMENT PLAN and the Visitor Impact Monitoring Plan to be devised by the CONCESSIONAIRE, under the terms of this DOCUMENT.

For safety reasons, the CONCESSIONAIRE may fully or partially close public use spaces destined for visitation at CAMINHOS DO MAR at any time; however, should this closing cause CAMINHOS DO MAR's operations to fall below levels established in *caput* as the minimum operating conditions, it shall immediately reopen the premises, as soon as minimum usage conditions are restored.

Opening hours of services and equipment available in the CONCESSION AREA shall be defined in accordance with the nature of each one of them, and the CONCESSIONAIRE shall notify both GRANTING AUTHORITY and USERS about CAMINHOS DO MAR and its equipment's opening hours, including in the case of any definite or temporary changes made to them.

Activities carried out after 6 p.m. shall have a restricted use of excessive lighting and high noise levels, so as not to disturb the local diversity as well as comply with levels defined by municipal laws. Grounds used at night time shall be clearly designated and monitored to ensure safety of visitors, and to prevent stretches not provided for in the CONCESSION from being used.

6.3. Public Use for Ecotourism

The development of ecotourism and public use activities in CAMINHOS DO MAR shall be carried out within the confines of the CONCESSION AREA, whose perimeter is designated in ANNEX I. The site is expected to be visited by different target audiences and shall therefore provide greater accessibility and comfort to users, as well as offering support services to visitors.

The CONCESSIONAIRE may exploit services inherent to ecotourism or other services related to the Conservation Unit's natural, cultural, sporting and leisure attributes, pursuant to the guidelines provided for in the MANAGEMENT PLAN, and upholding each activity's support capabilities and interference levels regarding the environment.

The CONCESSIONAIRE may produce and market images of visitors' experiences in the park, in compliance with the applicable legislation, or of the Conservation Unit's natural and cultural attributes, always exclusively related to the CONCESSION AREA. All images shall allude to the Conservation Unit.

Foreseen activities shall uphold the applicable legislation, including provisions related to occupational safety and environmental issues.

Use of Highway SP-148 in the stretch comprising the CONCESSION AREA is strictly forbidden for road purposes, to transport passengers or cargo, or for any other purpose that may resemble a road. The only permitted uses relate to the public use of the stretch as a park dedicated to leisure activities, sports and ecotourism, among other purposes approved under the CONTRACT and ANNEXES, and backed by the MANAGEMENT PLAN. For purposes of clarification, potential internal transport systems for users are

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permitted since said system is not deemed the same as a highway. Should it be verified that the CONCESSIONAIRE is using the Estrada Velha de Santos in a manner other than the purposes of this CONCESSION, appropriate contractual measures shall be taken.

The CONCESSIONAIRE shall register at CADASTUR, the Ministry of Tourism's Registration System, a mandatory requirement for legal persons working in the industry, pursuant to Federal Law No. 11.771 of September 17, 2008, which addresses the National Tourism Policy.

In case water activities or sports are established, floating piers shall preferably be used, upholding the limits set forth by EMAE S.A., particularly when said activities are carried out close to the company's operating areas, as established in ANNEX V.

In case a fixed pier is set up, all legal licenses and permits shall be obtained, in addition to EMAE S.A.'s consent, as set out in ANNEX V.

6.4. Prices charged

Prices charged for products and services shall be set at the CONCESSIONAIRE's sole discretion, but shall be consistent with the type and quality of these kinds of services, as well as with the CONCESSIONAIRE's premises and facilities, and also with prices commonly charged in this industry. The CONCESSIONAIRE shall keep, in a place visible to the general public, a price list with prices for each activity.

6.5. Volunteers

The CONCESSIONAIRE may choose to implement specific measures for volunteers, based on normative regulation FF/DE No. 035 of March 29, 2010, or whichever normative regulation is currently in force.

7. ASSIGNMENTS

The CONCESSIONAIRE's assignments entail the set of assignments and activities that are broken down into different topics and make up the minimum assignments required for CAMINHOS DO MAR's operations, aimed at fulfilling the object of the CONCESSION.

Assignments concerning management, infrastructure, visitation, information and local development shall be taken on and performed by the CONCESSIONAIRE effective the date of execution of the Term of Delivery of the Public Asset.

The MINIMUM STARTING INVESTMENT, which shall be made within 36 (thirty-six) months effective the date of execution of the Term of Delivery of the Public Asset established in ANNEX III.

The CONCESSIONAIRE is responsible for creating, implementing and maintaining proper signalling and communications means to promote CAMINHOS DO MAR, and shall additionally report whenever construction works and other INTERVENTIONS are carried out.

The CONCESSIONAIRE shall post in clearly visible places on its website and in promotional campaigns that this concerns a CONCESSION undertaken by the State of São Paulo. Areas where the CONCESSION starts and ends shall also be designated wherever there is public visitation.

All assignments and remaining obligations of this ANNEX or CONTRACT, referring to the CONCESSIONAIRE's submission of annual reports or information to the GRANTING AUTHORITY, the FF or third parties shall consider, except when stated otherwise, that said report or information shall be submitted within 90 (ninety) days after each anniversary date of the CONTRACT, the latter of which shall be considered effective the date of execution of the Term of Delivery of the Public Asset.

7.1. Management Assignments

7.1.1. Area and User Safety

The CONCESSION AREA requires the set up of a safety, monitoring and control system, for which the following are the minimum requirements:

- Provide continuous safety to USERS, properties and equipment in the CONCESSION AREA, using necessary means effective the date of execution of the Term of Delivery of the Public Asset;
- Implement entrance control services, in addition to security surveillance and property safety for the CONCESSION AREA;
- Immediately report to police authorities, or other competent authorities, as well as the GRANTING AUTHORITY, any cases of damage done to the natural and historical-cultural heritage, as well as catching perpetrators of environmental and other types of crimes in the CONCESSION AREA, submitting an annual report of events or when requested to do so;
- To have 24-hour monitoring in place for all vehicles and people transiting within the confines of the CONCESSION AREA, using a camera surveillance system to this end, and this system shall be set up within 120 (one hundred and twenty) days after signing of the Term of Delivery of the Public Asset;
- Current guard posts shall be kept until access control measures are introduced, in the case that the CONCESSIONAIRE chooses other surveillance and security methods for protection of the grounds and users;

Provide to the GRANTING AUTHORITY, upon request, and under current data and privacy laws, access to security footage generated, and this footage shall be kept available for at least 6 (six) months, in accordance with the terms of the current data and privacy laws;

- To preferably use, whenever possible, vehicles with low carbon emissions inside the CONCESSION AREA; and

To enforce measures to control access near the Alto da Serra Guest House so as to neither impair nor put in risk operation of the Rio das Pedras Dam at the Water Intake Operator (Latitude: -23,864137/Longitude: -46,468013) since access to these grounds by CAMINHOS DO MAR USERS and visitors is forbidden.

The CONCESSIONAIRE shall include, in its CAMINHOS DO MAR's MANAGEMENT AND OPERATION PLAN, specific provisions on safety management, security surveillance and entrance control measures in the CONCESSION AREA, describing all procedures aimed at fulfilling this assignment, as well as

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the camera surveillance system to be set up in a surveillance room and shared with the GRANTING AUTHORITY, at the discretion of the latter, which shall have free access whenever necessary.

Should the CONCESSIONAIRE choose to use the Support Base 3 - EMAE AS facilities, the CONCESSIONAIRE shall provide a new guard post for EMAE S.A. in order to replace this building with another one to be installed at the reception entrance of the company's exclusive area, with the same footage and available area for use, pursuant to the provisions of ANNEX V.

In case its dam's floodgates are opened due to operational or safety reasons, EMAE S.A. shall notify the CONCESSIONAIRE beforehand to activate its CONTINGENCY PLAN, pursuant to the terms of ANNEX V.

Highway SP-148's OPERATION PLAN, which upon its drafting shall add the CONCESSIONAIRE'S MANAGEMENT AND OPERATION PLAN, shall set forth measures applying to the stretch included in the object of the CONCESSION, concerning a description of operational safety measures to be enforced for each activity and/or each vehicle that the CONCESSIONAIRE plans on allowing to transit on Highway SP-148, while upholding the applicable limitations and regulations.

7.1.2. Waste Management and Cleaning

Cleaning-related assignments apply to all collection, sweeping, janitorial and cleaning services in the CONCESSION AREA, as well as its assets, equipment, constructions and outside areas. The level of workforce employed will vary significantly according to the operational model and use of automated equipment, for which the following are the minimum requirements:

- Employ suitable waste cleaning and management measures in the public use spaces object of the CONCESSION;
- Endeavor to focus on reducing waste generation, in addition to recycling;
- Manage efforts aimed at internal collection, storage and final disposal of all waste generated in the CONCESSION AREA, while upholding the best practices for environmental protection;
- Reuse, as can be reasonably expected, waste generated;
- Use collectors and storage spaces that stop animals from accessing waste disposed of in these devices; and
- Fulfill specific waste-related regulatory guidelines, particularly legislation applying to commercial waste generators.

7.1.3. Maintenance of Green Spaces for Public Use

Conservation-related assignments for green areas of public use apply to lawns, flower beds, ledges of inside access roads, among other things, for which the following are the minimum requirements:

- To provide proper maintenance and conservation of green spaces in public use spaces that are the object of the CONCESSION; and

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- To only use native species in decorating flower beds and lawns, if needed. Should any specific facility be devised to produce seedlings, the GRANTING AUTHORITY's no-objection shall be secured, in addition to complying with specific legislation on this matter.

The CONCESSIONAIRE shall carry out preventive and periodic pruning and close cutting of dead trees that pose risks to the lives of employees and USERS and/or premises, equipment, facilities, and buildings in the CONCESSION AREA. In case of native shrub vegetation suppression, the GRANTING AUTHORITY's consent shall be secured.

7.1.4. Fire Prevention and Firefighting

Fire prevention and firefighting assignments require preventive and repressive measures within the CONCESSION AREA, with the following being the minimum requirements for this:

- To uphold the current legislation and regulations, particularly those of the Fire Department regarding safety and protection against fires in the facilities and public use spaces that are the object of the CONCESSION, carrying out all necessary measures and steps; and
- To consider the guidelines and recommendations set forth by the GRANTING AUTHORITY concerning participation in training workshops, and preventive and operational fire-fighting procedures.

7.1.5. Risk and Contingency Management

Risk and contingency management in the CONCESSION AREA requires the following minimum measures:

- To devise the Risk and Contingency Management Plan for public use spaces that are the object of the CONCESSION, in compliance with current regulations and administrative documents that set forth procedures and requirements for devising said plan;
- To carry out Risk and Contingency Management in public use spaces that are the object of the CONCESSION;
- To provide first aid assistance in public use grounds that are the object of the CONCESSION, with sufficient equipment and staff, pursuant to the ABNT Standard, and duly trained to undertake emergency services in remote places, such as trails and the park's more isolated attractions throughout its opening hours, until rescue services and transport to hospitals or health stations takes place.

Under the scope of the risk matrix and contingency measures, measures applying to trails, events, competitions, sports races, the Cubatão Industrial Cluster and landslides and ground movements shall all be considered. The CONCESSIONAIRE shall additionally include in this document preventive and corrective measures to be enforced in the case of potential interferences in the Henry Borden Power Plant's operations, pursuant to ANNEX V.

The CONCESSIONAIRE shall submit, under its MANAGEMENT AND OPERATION PLAN for CAMINHOS DO MAR, its approach for managing risks and contingencies, which shall be submitted to the GRANTING AUTHORITY within 90 days of the DATE OF EXECUTION.

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In case of an epidemic, the CONCESSIONAIRE shall follow social distancing, personal hygiene, cleaning of spaces, communications and monitoring protocols.

The CONCESSIONAIRE shall present, within the scope of its MANAGEMENT and OPERATION PLAN for CAMINHOS DO MAR, the approach it plans on using to manage risks and contingencies, which shall be submitted to the GRANTING AUTHORITY up to 90 days after the DATE OF EXECUTION.

The PLAN shall set forth all measures concerning management and operation of the Highway SP-148 stretch covered in the CONCESSION AREA, including with regard to contingencies for potential occurrences during operation of the site.

7.1.8. Administration

Administrative assignments apply to operation of the CONCESSIONAIRE's management infrastructure, and entail the following minimum conditions:

- To provide all equipment, staff and resources needed for the proper administration of the CONCESSION AREA; and
- To identify all CONCESSIONAIRE collaborators or outsourced personnel using the company's brand or name in the CONCESSION AREA;

7.1.9 Visitor Responsibilities

7.1.9.1 Tourist Services

The purpose of this CONCESSION is to enable tourist services in public use spaces of CAMINHOS DO MAR to continue to be offered and be enhanced;

Within the scope of the General Guidelines for Tourist Services, the CONCESSIONAIRE is recommended to make available to its USERS information and trilingual services (Portuguese, English and Spanish) for an improved level of services offered to foreign visitors, as well as training staff on practices and conduct inside a Conservation Unit, which shall have the support of the GRANTING AUTHORITY.

7.1.9.2 Tourist Planning

7.1.9.2.1 Tickets and Reception Entrance

In addition to Security-related assignments for entrance controls, the CONCESSIONAIRE shall take into account the need to control access of its own employees, as well as FOREST FOUNDATION, Itutinga-Pilões Nucleus Advisory Board, EMAE S.A. and DER/SP employees on duty, military vehicles and other guests upon prior approval, in addition to other vehicles on duty in the CONCESSION AREA, provided these are previously registered with their own identification, such as with stickers, cards, biometric systems or other advanced technology identification methods. State of São Paulo State Government employees on duty in CAMINHOS DO MAR shall be granted access upon showing proper identification.

The CONCESSIONAIRE is free to define its own ticketing policy, pursuant to ANNEX IX.

Throughout the entire term of the CONTRACT, the GRANTING AUTHORITY shall be provided, within five working days after the end of each calendar month, with monthly visitor numbers, the aggregated calendar year and the consolidated CONCESSION, submitting data concerning both full price and half price admissions, as well as submitting visitor and REVENUE data by other means or arrangements or methods, as agreed upon between GRANTING AUTHORITY and the CONCESSIONAIRE.

7.1.9.2.2 Monitoring Visitor Impact

The CONCESSIONAIRE shall devise and put into operation an indicator system to monitor visitor impact on public use spaces object of the CONCESSION, using the Guidelines for Monitoring and Managing Visitor Impact on FF/SIMA Conservation Units as reference.

The CONCESSIONAIRE shall send, within the deadline set forth to submit the MANAGEMENT and OPERATION PLAN, provisions on monitoring visitor impact on the CONCESSION AREA to be included in CAMINHOS DO MAR's MANAGEMENT and OPERATION PLAN, for the GRANTING AUTHORITY's appraisal. The Plan shall be updated, at most, every four years.

Under the scope of this assignment, the CONCESSIONAIRE shall:

- Carry out all measures required to mitigate impacts based on indicator performance, not simply restricting its efforts to closing off areas or attractions;
- Submit mitigation projects and measures beforehand for the GRANTING AUTHORITY's no-objection;
- Submit monitoring records and results to the GRANTING AUTHORITY on a yearly basis, or whenever requested to do so;

Based on results produced yearly, and an enhanced knowledge concerning visitor impact monitoring and management in conservation units, both CONCESSIONAIRE and the GRANTING AUTHORITY shall verify the need to add new indicators and set forth priorities for key indicators and impacts, in addition to suiting their monitoring whenever carrying out ordinary CONTRACT reviews.

7.1.10 Information

7.1.10.1. Scientific Research

Under the scope of this assignment, the CONCESSIONAIRE shall:

- Enable researchers to access the CONCESSION AREA, provided they have been granted prior approval by the GRANTING AUTHORITY, and in accordance with proceedings established by the Forest Institute's Technical Commission – COTEC.
- Foster and contribute to research and studies carried out in the CONCESSION AREA, in compliance with proceedings set forth by COTEC, and encourage the sharing of project results for purposes of disseminating information.

7.1.10.2. Visitor and Community Satisfaction Survey

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The CONCESSIONAIRE shall:

- Conduct a visitor satisfaction survey in the CONCESSION AREA, which shall obligatorily include at least the following things: gender, age, city of origin, means of transport, income bracket, education, reason for visiting, type of visit (group, couple, individual or family), assessment of infrastructure, services, attractions and level of environmental awareness;
- Assess the local community's satisfaction level with regard to its perception of the park as a recreational space, its ticketing policy and socio-economic development;
- Assess protective signalling specific for fauna/flora/areas, focused on access points, recommendations for waste disposal and the importance of not feeding animals, as well as the Conservation unit's background;
- Submit the Research Plan for Assessment of Visitor and Community Satisfaction as an integral part of the MANAGEMENT and OPERATION PLAN, taking into account criteria and statistical parameters when conducting surveys, and using the following as reference:
 - a. 5% sampling error;
 - b. 95% confidence level;
 - c. Population: Define the sample considering the overall number of visitors in the last 12 months prior to the date of the survey; and
- Issue an annual report with the survey results, or whenever requested to do so by the GRANTING AUTHORITY.

7.1.10.3 Environmental Education

The CONCESSIONAIRE shall:

- Exempt students and their public pre-school, elementary and high school teachers in field trips from paying entrance on working days, conditional upon prior scheduling;
- Enforce measures and carry out communications efforts to refrain USERS from gathering, removing or damaging local flora and feeding wild animals, thereby ensuring a harmonious relationship between visitors and local fauna and flora;
- Develop continuous exhibitions with educational and interactive content on the park's natural and historical-cultural heritage;
- Come up with means to promote the environmental and historical-cultural heritage using virtual reality;
- Organize events on environmental issues on special dates, devising activities in an integrated and synergetic way with the GRANTING AUTHORITY's Annual Environmental Education Calendar, whose purpose is to implement CAMINHOS DO MAR's Environmental Education Program, pursuant to the MANAGEMENT PLAN. The following are these special dates of the year:

DATE	CELEBRATION
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Mar 1	Ecotourism Day
Mar 22	World Water Day
Apr 22	Earth Day
May 22	Atlantic Forest Day
Jun 5	World Environment Day
Aug 30	PESM Park's Birthday
Sep 7	Independence of Brazil
Sep 21	Arbor Day
Oct 4	World Animal Day
Nov 24	World Rivers Day

- The GRANTING AUTHORITY shall be entitled to a monthly share of up to 24 (twenty-four) hours of free use of the CONCESSIONAIRE's space, upon prior scheduling to be carried out up to 20 (twenty) days before the date of the reservation, and for which it shall use its own audiovisual equipment. This right shall apply preferably to the Alto da Serra Guest House, although the CONCESSIONAIRE may indicate another premise with similar traits in case said facility is unavailable.
- Should there be no demand to use the premises mentioned in the previous item, the GRANTING AUTHORITY may use the time available, in mutual contract with the CONCESSIONAIRE, regardless of it having already reached its monthly share; and
- The CONCESSIONAIRE shall provide an annual report containing a record of measures and services undertaken.

The CONCESSIONAIRE shall propose an Environmental Communications, Promotional and Education Plan addressing, among other things, the significance of this attraction, preserving the biodiversity, including the fauna, the historical-cultural and environmental heritage, and regional tourism.

7.2. Infrastructure Assignments

7.2.1. Maintenance

Assignments related to maintenance entail preservation and support activities, as well as providing infrastructure assets for CAMINHOS DO MAR by means of enhancements and improvements made to its facilities, roads, small and medium-scale construction works, maintenance of CONCESSION AREA slopes and inclinations, in addition to electrical and hydraulic repair work. Maintenance assignments also encompass pest control using ecological methods, and considering that the MANAGEMENT PLAN prohibits use of pesticides in natural and recovery areas.

It is worth pointing out that the CONCESSION AREA requires constant maintenance, particularly regarding its buildings due to high humidity and winds in the region.

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The following is the minimum required to achieve this:

- To maintain and preserve all facilities under its responsibility and use within the CONCESSION AREA throughout the entire CONCESSION TERM;
- To carry out necessary maintenance work on restrooms and roads, including the Highway SP-148 stretch under its responsibility, as well as concerning bridges and surrounding areas and access to the Alto da Serra Guest House, keeping them in good condition so as to enable an adequate transit, better signaling and ordered traffic, cyclist and pedestrian flow, upholding speed limits set forth and other conditions and restrictions established by the CONCESSIONAIRE and/or, as the case may be, by the contract documents or applicable regulations;
- To carry out, whenever needed, measures aimed at upkeeping paving of the Highway SP-148 stretch included in the CONCESSION AREA, with maintenance routines, repairs and potential reconstruction work, drainage in the parking area, lighting and signaling in the CONCESSION AREA;
- To set up at least eight drinking fountains spread throughout the CONCESSION AREA to increase the number of drinking fountains that have adequate and accessible water fountain models so as to enable children and visitors to have at least some drinking fountain spots. Distribution of these fountains shall meet the needs of visitors regarding numbers and locations;
- To provide, whenever needed, and keep lighting of the streets, inside and outside areas and constructions in proper working conditions, in addition to lighting of historical monuments that allow lighting, such as Ruins and the Paranapiacaba Resting Place; and
- To provide maintenance service reports on a yearly basis, and reports on the status of new buildings works on a monthly basis, whenever these are in course;

The CONCESSIONAIRE shall have access to the Alto da Serra Guest House by means of the Estrada do Mirante Road, for purposes of public use and visitation.

7.2.1.1. Water, Sewage and Electrical Power

Considering that the CONCESSION AREA is continuously supplied with electric power, and considering that current water and sewage systems require adjustments, the CONCESSIONAIRE shall:

- Promote a sustainable management of water, sewage and electricity resources in the CONCESSION AREA;
- Monitor consumption of said resources, as well as keeping internal systems of these facilities in proper working conditions;
- Carry out all necessary adaptations to individualize the metering system, aimed at verifying and paying for its own consumption as well as consumption resulting from public use of the CONCESSION AREA;

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- Secure all necessary approvals from the concerning bodies for water collection services in the park, when necessary;
- To carry out adequacy and maintenance services of the sewage system, of at least its cesspits, filters and sinks;
- To conduct semi annual evaluations of the sewage treatment system of buildings, used to verify efficacy of the treatment system;
- To prefer using techniques and measures aimed at reducing water consumption, such as collecting rainwater and reducing tap water flow;
- To establish an electrical power supply grid separate from the electrical power supply currently provided by EMAE, within up to 1 (one) year effective the DATE OF EXECUTION of the contract; and
- To prefer, whenever possible, setting up alternative energy generation systems, such as photovoltaic solar panels or biofuel, with the aim of reducing the dependence on the regular existing energy supply system.

7.2.1.2. Water for Human Consumption

The CONCESSIONAIRE shall:

- Provide water supply for human consumption in the CONCESSION AREA; and
- Conduct, on a yearly basis, an assessment of the water quality in public use spaces, aimed at certifying its suitability for the distinct purposes it is intended for, monitoring its quality, in compliance with water drinkability parameters and additional applicable laws.

7.2.2. Trails

Trail-related assignments apply to implementing and making specific trails identified in the CONCESSION AREA suitable, the following being the minimum requirements:

- Maintain the existing trails in proper conditions of use, in accordance with the procedures foreseen under the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT'S Guidelines for Creating and Maintaining Trails, including indicative and interpretive signs, which shall meet standards set in the FOREST FOUNDATION's Visual Identity Manual, and be approved by the GRANTING AUTHORITY;
- Preferably provide communications materials used also in other languages, as well as in braille;
- Keep trails currently in operation free of charge (that is, without specific charges for the use of attractions, except for the admission fee to enter CAMINHOS DO MAR), these being: CAMINHOS DO MAR - Historical Monuments, Sete Morros (Seven Hills, or Torre Trail), an open stretch of the Calçada do Lorena Road and, if possible, suit existing or new trails for use by persons with disabilities or people with limited mobility;

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- New trail projects developed by the CONCESSIONAIRE in the CONCESSION AREA shall be proposed within the scope of the INTERVENTION PLAN, while upholding the MANAGEMENT PLAN's guidelines, current regulations and the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT'S Guidelines for Creating and Maintaining Trails;
- Charging for use of new trails developed is permitted, should it be in the CONCESSIONAIRE's interest;
- Regarding already existing trails as well as trails described in the MANAGEMENT PLAN that are not part of the CONCESSION AREA, in the case of the Trilha da Travessia (Travessia Trail) and continuing works in the Calçada do Lorena Road in its closed stretch, or the waterfalls, the GRANTING AUTHORITY henceforth authorizes its use by the CONCESSIONAIRE, provided the minimum environmental impact is guaranteed, and additional conditions foreseen under the MANAGEMENT PLAN are met, in addition to other required approvals being secured, such as that of EMAE SA, when applicable;
- The CONCESSION AREA stretch near the Highway SP-148 and the Caminho do Sal (Salt Trail) junction may be used for different purposes, provided these uses do not conflict with the MANAGEMENT PLAN, and furthermore, this stretch has the potential to be used for cycling activities after creating a bicycle motocross circuit on the existing trails. In this case, construction works aimed at containing erosion and maintaining soil permeability shall be planned, in addition to putting up signs; and
- In the case of the Trilha do Ouro (Ouro Trail), the grounds were annexed by PESM park in 2010 following the issue of State Decree No. 56,572. Operation of the trail by the CONCESSIONAIRE may only be undertaken after the MANAGEMENT PLAN is updated, thereby enabling its use and featuring compatible zoning. Until this date, the CONCESSIONAIRE may enforce entrance control measures in the area surrounding the Cachoeira da Torre Waterfall or starting from the point covered by the current MANAGEMENT PLAN, with these grounds identified in ANNEX I as areas and trails being a counterpart commitment to the CONCESSION;
- Bird Watching-related activities shall be signalled with signs illustrating endemic species and the season that these sightings take place, taking into account elevation differences in bird-watching sites, which may influence the variety of species sighted.

7.3. Assignments concerning Buildings Renovations

All assignments related to buildings renovations are included in ANNEX III.

7.4. Assignments concerning Heritage Building Restorations

Taking into account the significance of this historical-cultural heritage made up of the MONUMENTS, and their impact on CAMINHOS DO MAR's public visitation, the STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT, and the STATE OF SÃO PAULO FOREST FOUNDATION have successfully secured approval of resources at the ENVIRONMENTAL COMPENSATION CHAMBER to this end.

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Engineering design projects for MONUMENTS, listed in ANNEX IV, as well as in the CONTRACT and ANNEX III provisions, whose RESTORATION works shall be carried out up to 21 (twenty-one) months effective the date of execution of the Term of Delivery of the Public Asset, were carried out. Following completion of RESTORATION works, the CONCESSIONAIRE shall preserve and maintain the MONUMENTS in adequate conditions, and the CONCESSIONAIRE is free to use them in its exploitation of the CONCESSION.

It should be noted that the CRUZEIRO QUINHENTISTA monument shall also be submitted to conservation efforts, although the CONCESSIONAIRE shall not be held liable if said monument is vandalized.

7.5. Local Integration Assignments

The CONCESSIONAIRE shall:

- Devise new ways of acknowledging the value and prioritizing local and regional workforce and products, with the purpose of contributing to income generation and job creation in the area surrounding Serra do Mar State Park's Ituting-Pilões Nucleus, particularly the São Bernardo do Campo and Cubatão municipalities, as well as Serra do Mar's Socio-Environmental Recovery Program;
- Devise new ways of advancing conditions for the social and economic integration of communities adjacent to Serra do Mar State Park's Ituting-Pilões Nucleus. The following are some recommended guidelines, whose fulfillment by the CONCESSIONAIRE is optional:
 - a. To boost the productive chain, which can be described as collaborative and mutually attractive long-term relationships established between companies and entities within a same value chain, with the purpose of enabling business dealings between them, by suiting requirements for product and service provision; and
 - b. To favor the productive chain of services that fulfills social and environmental roles, privileging a healthy lifestyle and using regional inputs and products in a consistent manner with the park's goals, focused on social, economic and environmental sustainability, and creating, for instance, handicraft workshops that use natural materials and are integrated with environmental education activities;
- To foster creation of a space within the Conservation Unit with support infrastructure to carry out both cultural activities and activities to empower new businesses linked with the unit or surrounding economy, for which it is free to pursue support and sponsorships from other entities, as well as using naming rights under the terms defined in the CONTRACT, in addition to other means also set forth under the CONTRACT; and
- To encourage creation of new Green Economy businesses, which stress an optimal use of natural resources, healthy lifestyle, appreciation of biodiversity and ecosystemic services, with the aim of fostering innovations geared towards preserving socio biodiversity and meeting the needs of the global agenda, when it comes to the Millenium Sustainable Development Goals.