

GUIOMAR TORGAN GUSMÃO BRANCO

TRADUTOR PÚBLICO JURAMENTADO

e INTÉRPRETE COMERCIAL

INGLÊS-PORTUGUÊS

TRADUÇÃO OFICIAL

Rua Caropá, 594 - São Paulo - SP - 05447-000

Tel/Fax: (11) 3031-5399

Matr. JUCESP Nº 977
C.C.M. 2.643.122-7

C.P.F. Nº 007.454.878-66
R.G. 1.135.164

TRADUÇÃO Nº 06552/08

LIVRO Nº

67

FOLHAS Nº

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I, **GUIOMAR TORGAN GUSMÃO BRANCO**, a Sworn Translator and Commercial Interpreter for the English language, duly sworn by the Board of Trade of the State of São Paulo – Federative Republic of Brazil, **DO HEREBY CERTIFY** that the document submitted to me is an original document, issued in the **PORTUGUESE** language which I faithfully translated into **ENGLISH**, as follows:-

[Translator's Note: The document presented to me consists of a reprographic copy].

Eletrobrás	Executive Board	05.10.1999
	1.810th Meeting	Process: 684/70
	RESOLUTION	Res.-33 [illegible], 1999 [illegible]

REPORTING OFFICER: Administrative Manager **GAMALIEL HERVAL**

SUBJECT: ELETROBRÁS – Legal Settlement – Process no. 024.95.119.798-1 in course before the 13th Civil Court of the Capital of Minas Gerais – Challenge the form of monetary correction applicable to the redemption of obligations originated by the Compulsory Loan – Plaintiff: Gerson Bartolomeu Estate.

The Executive Board of Centrais Elétricas Brasileiras S.A. – ELETROBRÁS, in use of its assignments and grounded in the terms of the report DEE no. DA-053/99, of 05.10.99, **RESOLVED:-**

1. to authorize the execution of a legal settlement in the records of Process no. 024.95.119 798-1 in course before the 13th Civil Court of the Capital of Minas Gerais, the Plaintiff being the Estate of Gerson Bartolomeu challenging the monetary correction form applicable by ELETROBRÁS, to the redemption of obligations originated from the Compulsory Loan;
2. to authorize the payment, to the Plaintiff, of the net amount of ten million reais [T.N. Brazilian currency real, pl. reais] (R\$ 10,000,000.00), as follows: three million reais (R\$ 3,000,000.00), four (4) days after the final judgment of the sentence confirming the settlement made; three million five hundred thousand reais (R\$ 3,500,000.00), thirty (30) days later, and the remaining three million five hundred thousand reais (R\$ 3,500,000.00), sixty (60) days after the fourth (4th) day as of the referred final judgment, all installments paid through binding deposit at the disposal of the court, to be later released through judicial official letter;
3. to authorize, for the purposes of legal settlement, the observance of all other conditions provided under the justification of the Report made to the DEE;
4. that the Legal Department – DAJ adopts the steps required for the preparation and formalization of the referred legal settlement.

(s) [illegible signature]

ALICE MEDICI

General Secretary

Eletrobrás

REPORT TO THE EXECUTIVE BOARD **Date: 05.10.99** **DA – [illegible]**

REPORTING OFFICER: **GAMALIEL HERVAL** – Administrative Director

SUBJECT: Legal settlement aiming at closing process no. 024.95.119.798-1 in course before the 13th Civil Court of the Capital of Minas Gerais, the object being to challenge the monetary correction form

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applicable by ELETROBRÁS, to the redemption of obligations originated from the Compulsory Loan;
Plaintiff: Gerson Bartolomeu Estate.

Whereas:-

The Estate of Gerson Bartolomeu has filed, on December 21st, 1995, an Ordinary Collection Suit (Process no. 024.95.119.798-1) against Centrais Elétricas Brasileiras S.A. – ELETROBRÁS, in course before the 13th Civil Court of the Capital of Minas Gerais, the object of which is the monetary correction difference of the Bearer Obligations issued as a consequence of the extinguished compulsory loan;

On June 2, 1998, the Estate submitted an amicable settlement proposal, rejected at the time, since this company was waiting, at the time, for the judgment of the Special Appeal filed before the Superior Court of Justice (STJ).

On February 1, 1999, the Gerson Bartolomeu Estate, having received a favorable judgment of the Special Appeal no. 175573/LIC, repeated to ELETROBRÁS the proposal of amicable settlement, through mail addressed to the President and forwarded to the Administrative Directors by the Head of the Presidential Cabinet, offering a reduction of 10% on the amount of the debit in court, corresponding to thirteen million, two hundred and twenty-seven thousand, nine hundred and fifteen reais and nineteen cents (R\$ 13,227,915.79) representing such reduction one million, three hundred and thirty-two thousand, seven hundred and ninety-one reais and fifty-seven cents. (R\$ 1,332,791.57).

The Legal Department (DAJ) as a consequence of the final judgment and about to be enforced, was requested by this Directorate to manifest on the legal possibility of closing a possible settlement, having issued opinion no. 996 dated February 15, 1999 on the matter;

In its conclusion, DAJ understood there were no legal obstacles to the closing of a possible settlement in relation to process no. 024 95 119 798 1, taking into consideration the fact that ELETROBRÁS has been defeated in all instances and that any possible resistance by this Company, filing embargoes to the enforcement would lead to an exclusively staying effect, which fact goes against the principle of economy and against the priority that the open capital incorporations must assign to the exercise of the business or gains opportunities related to its corporate activities;

For the purposes of checking the calculation base of the negotiation, the Corporate Management and Financial Directorate was forwarded the probable value of the Legal definition, that is, thirteen million, five hundred and eighty-four thousand, one hundred and ninety-five reais and seventy cents (R\$ 13,584,195.70), taking into consideration the provisions of the 1st degree sentence accepting the Plaintiff's request, as requested in the initial petition.

In its evaluation, the Financial Directorate chose to submit two calculations, the former by means of math's adjustment, with correction through the indexes, in which it detected a difference favoring ELETROBRÁS in the amount of seventy-six thousand, nine hundred and ninety-seven reais and fifty cents (R\$ 76,997.50), which fact reduced the negotiation of the calculation base to thirteen million, five hundred and seven thousand, one hundred and ninety-eight reais and twenty cents (R\$ 13,507,198.20);

Using the second calculation criteria for the negotiation, the Financial Directorate decided to offer an amount of five million, six hundred and forty-two thousand, six hundred and nineteen reais and thirty cents (R\$ 5,642,619.30), in this case adopting as correction factor the INPC;

On April 26, 1999 the Gerson Bartolomeu Estate repeated once again a settlement proposal, offering a twenty percent (20%) rebate on the amount of thirteen million, five hundred and seven thousand, one

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hundred and ninety-eight reais and eighteen cents (R\$ 13,507,198.18) for cash payment, upon the Judicial confirmation;

For the purpose of finalizing the demand and the successive negotiations aiming at a possible settlement, the Administration Directorate submitted to the Plaintiff a counter proposal to make a payment corresponding to thirty percent (30%) of the debt, that is, over the total of thirteen million, five hundred and seven thousand, one hundred and ninety-eight reais and twenty cents (R\$ 13,507,198.20) in three (3) installments, being the first payment upon the judicial confirmation of the settlement, provided the Plaintiff also waived the other suits in course in the Belo Horizonte's courts, that is, related to process nos. 024.97.1024310 before the 30th Civil Court, no. 024.95.1119/961 before the 13th Civil Court, and [illegible]89.0009074-3/MG before the 11th TRF Court, which proceedings total five million, three hundred and thirty-two thousand, seven hundred reais and fifteen cents (R\$ 5,332,700.15), as per the amounts pleaded by the Plaintiff;

As a consequence of the last meeting held on May 7, 1999, on one side counting with the Estate representative and on the other, with the presence of the Administrative Director, Dr. Jack Mollingham Steiner, Assistant of the Financial Directorate, which conducted the business area, as well as Drs. Antonio Frederico Pereira da Silva, Head of the Legal Department and José Augusto de Almeida Paiva, Head of (sic) reais) as follows: three million reais (R\$ 3,000,000.00), four (4) days after the final judgment of the sentence confirming the settlement; three million five hundred thousand reais (R\$ 3,500,000.00), thirty (30) days later, and the remaining three million five hundred thousand reais (R\$ 3,500,000.00), sixty (60) days after the fourth (4th) day as of the referred final judgment, all installments paid through binding deposit at the disposal of the court, to be later released through judicial official letter;

There must be observed, for the purposes of a legal settlement, all other conditions listed under the JUSTIFICATION of this Report.

Yours sincerely,

(s) [illegible signature]
GAMALIEL HERVAL
Administrative Director

[The document also bears Seals of the T.J.S.C duly signed].

[It bears a Seal of the Presidential Cabinet (illegible) no.309/99 (illegible) 05/10/99].

NOTHING FURTHER WAS REQUESTED FOR TRANSLATION IN THE DOCUMENT SUBMITTED.

I verified it and certify to it.
The Sworn Public Translator.
São Paulo, February 12, 2008

7º TABELIÃO


GUIOMAR TORGAN GUSMÃO BRANCO
TRADUTOR PÚBLICO JURAMENTADO

79 TABELIAO DE NOTAS DA CAPITAL - SP
 RUA BENJAMIN CONSTANT, 177 - PAIX: 329 / 1400
 RECONHECO por SEMELHANCA 1 firma(s) SEM VALOR ECONOMICO de:
 GUILMAR TOROAN GUSMÃO BRANCO*****
 Sao Paulo, 12 de fevereiro de 2008.
 Em Testemunho _____ da verdade.

ANTONIO ROBERTO GARCIA - MAURICIO R.S. CRUZ - ALFREDO R. S. CRUZ
 Total:R\$ 2,75.#VALIDO SOMENTE COM SELO DE AUTENTICIDADE#
 Carimbo:507495 Selo(s): 183888-AA

