

## MARIANA ERIKA HEYNEMANN

TRADUTORA PÚBLICA JURAMENTADA E INTÉRPRETE COMERCIAL

I, the undersigned, a Sworn Public Translator and Commercial Interpreter in this City of Rio de Janeiro, Federative Republic of Brazil, DO HEREBY CERTIFY that a document written in the Portuguese language was presented to me for translation into English, which I lawfully performed by my official capacity, as herein below:

TRANSLATION 15833 /99.

### CERTIFICATION

I hereby **CERTIFY** that the attached TRANSLATION, the page(s) of which is/are duly initialed by me, is a true and correct translation of what is contained in the document in the ENGLISH language presented to me, WHEREBY I, TRUTHFULLY, TESTIFY – with my hand and seal – at this City of Rio de Janeiro, State of Rio de Janeiro, BRAZIL, on JUNE 24<sup>TH</sup>, 1999.



  
**MARIANA ERIKA HEYNEMANN**

SWORN PUBLIC TRANSLATOR

## TERM OF CONDUCT ADJUSTMENT

The Tupiniquim indigenous **COMMUNITY** at the Comboios settlement (hereafter referred to as the **COMMUNITY**) hereby represented by the Comboios Tupiniquim Indigenous Association, hereby represented by its President, **Francisco Coutinho**, and assisted by the **National Indian Foundation - FUNAI**, the company **ARACRUZ CELULOSE S.A.** (hereafter designated **ARACRUZ**), with its principal place of business in the city of Rio de Janeiro, at Rua Lauro Muller, No. 116 - 21st and 22nd floors, enrolled at the Corporate Roll of Taxpayers of the Ministry of Finance [CGC/MF] under No. 42,157,511/0002-42, represented in conformity with its Articles of Association, and the **National Indian Foundation - FUNAI**, hereby represented by its President, enter into this Term of Conduct Adjustment, pursuant to and for the purposes of what is set forth in paragraph 5th of Law No. 7347/85, and pursuant to the clauses and conditions that they mutually set out and acknowledge:-----

1. By force of this instrument, **ARACRUZ** undertakes to transfer to the **COMMUNITY**, in the year of 1998, the amount of **R\$ 228,000.00** (two hundred and twenty eight thousand reais), to be provided via the



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Association, as follows: -----

1.1. R\$10,000.00 (ten thousand reais) that **ARACRUZ** has already transferred to the **COMMUNITY** in order to face initial operating expenses of Association. -----

1.2. The **COMMUNITY**, via the Association, undertakes to provide **ARACRUZ** with a social assistance project and a project concerning the Agriculture, Health and Education areas, as soon as they are completed. -----

1.3. **ARACRUZ** shall release the balance amount for R\$ 218,000.00 (two hundred and eighteen thousand reais) not later than 10 working days from the date of delivery of the projects approved by **FUNAI**, with the requirement to be transferred to the Association, in compliance with the following: -----

1.3.1. **Social Assistance Project**: the amount to be released corresponds to R\$ 122,985.50 (one hundred, twenty two thousand, nine hundred, eighty five reais and fifty cents) referring to: meeting the needs of 60 families that currently live in the **COMMUNITY**, at the rate of R\$ 2,000.00 (two thousand reais) per family; fuel, oils and grease costing for use of



vehicles by the settlement, non-CEME (Government Medicine Dispensing Center) medicines and personal costing with the transportation of sick individuals and the Association representations. The social assistance project is to be delivered by FUNAI to the Comboios COMMUNITY by July 7th, 1998, being the COMMUNITY, represented by the Association, required to transfer it to ARACRUZ by next July 6th. -----

**1.3.2. Agriculture, Health and Education Project:**

the amount to be released corresponds to R\$ 95,014.50 (ninety five thousand, fourteen reais and fifty cents) for application in a project referring to the COMMUNITY collective needs, exclusively in the agriculture, health and education areas, in accordance with the project spreadsheet. The Agriculture, Health and Education Project is to be delivered to ARACRUZ by FUNAI, still within 1998. -----

1.4. In case of default with the provision in above item 1.3, ARACRUZ shall pay a 2% (two percent) penalty, which shall revert in favor of the COMMUNITY through the Association. -----

2. ARACRUZ undertakes further to cost the Brazilian





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Farming and Cattle Raising Company - EMBRAPA hiring or other institution to be hired, to help the **COMMUNITY** in the agricultural project elaboration. -----

3. The application of resources to the social project aiming at meeting the basic needs of each family, such as provided for in above item 1.3.1 is limited to the installment referred therein, being understood, for this reason, that in no circumstance subsequent installments, in the whole or in part, may have another destination, other than projects referring to the **COMMUNITY's** collective needs in the agriculture, health and education areas. -----

4. Projects shall provide for the application in the **COMMUNITY's** collective needs promoting the organization of the families' financial and domestic life, their economic, social and environmental self-development. -----

5. **ARACRUZ** undertakes further to release the amount of R\$ 1,653,000.00 (one million, six hundred and fifty three thousand reais) along the next nineteen years, in equal installments, each one of them in the amount of R\$ 87,000.00 (eighty seven thousand reais), in two half-yearly



installments, to wit: -----

5.1. R\$ 43,500.00 (forty three thousand and five hundred reais) on the tenth working day of the month of January, or as of the project delivery duly approved by FUNAI, prevailing what lastly takes place. -----

5.2. R\$ 43,500.00 (forty three thousand and five hundred reais) on the tenth working day of the month of July. -----

6. The inspection of resources application shall be performed by a parity committee consisting of FUNAI's and the Indian COMMUNITY members not connected to the association board of directors, under the inspection of FUNAI and the Federal Public Ministry in the State of Espírito Santo (MPF). -----

7. ARACRUZ undertakes to provide support and foster foresting by the eucalyptus exploration to be carried out by the COMMUNITY on its lands, pursuant to the interest shown by the COMMUNITY.

8. ARACRUZ shall pay the electricity used by the COMMUNITY directly to the utility company granted with the concession of such a service, up to the total amount of R\$ 38,760.00 (thirty eight thousand, seven hundred and sixty reais), being



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it required to account for monthly to the  
COMMUNITY, via the Association, with a copy being  
delivered to both FUNAI and the MPF. -----

9. Still as part of this agreement, the COMMUNITY  
acknowledges having received the following  
donation from ARACRUZ: -----

(a) a model 885 Valmet, 4-wheel drive farming  
tractor; -----

(b) a model 98/99 Ford F-4000 truck; -----

(c) the following farming implements: a 14x26-  
inch plowshare, a 1.5-m hydraulic grass  
cutting blade, a 3.5-ton farming truck, a  
back farming planer, a 500-kg capacity  
fertilizer machine and a farming platform. -

10. ARACRUZ shall provide further in the year of  
1998 the donation of a 128-ha land area.-----

11. All the sums referred to in this Term shall  
have their value monetarily adjusted every month,  
as of the current date up to their actual  
disbursement, based on the IGPM or IPC variation,  
or their substitutes, prevailing the highest  
index. -----

12. In case of default of clauses 5 and 8, ARACRUZ  
shall pay a 2% (two percent) penalty on the due  
installment, accrued of interest and monetary





correction of the principal amount. -----

13. The Tupiniquim Indigenous **COMMUNITY** acknowledges as legitimate the Ministry of Justice Administrative Rule No. 194, published in the Federal Gazette of 03.09.98, for the purposes of land demarcation. -----

14. This Term of Conduct Adjustment is effective for 20 years. -----

15. In case the **COMMUNITY** defaults its obligations upon being duly notified, by notice to the MPF, **ARACRUZ** shall be released from the obligations provided for by this term. Likewise, in case **ARACRUZ** defaults its obligations, regardless of the applicable penalty, the **COMMUNITY** shall also be released from the obligations agreed by it in this Term. -----

16. The court of law of the Vitória, State of Espírito Santo, Federal Justice, is elected as the sole court with competence for settlement of the matters arising out of this Term of conduct adjustment. -----

Being bound by itself, its heirs and successors at any title, the parties enter into this instrument in four (4) counterparts of the same content and for a sole purpose, in the presence of the





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undersigned witnesses. -----

Vitória-ES, June 30th, 1998.

ASSOCIAÇÃO INDÍGENA TUPINIQUE DE COMBOIOS

[Signed] Francisco Coutinho - President

FUNDAÇÃO NACIONAL DO ÍNDIO - FUNAI

[Signed] Sullivan Silvestre Oliveira - President

ARACRUZ CELULOSE S.A.

[Signed] Carlos Augusto Lira Aguiar - President;

[Signed] João Felipe Carsalade - Director

Witnesses [all signed]: -----

Name: Carlos Alberto Roxe -----

CPF/MF No.: 149,606,807-----

Name: Felipe Demori Claudino-----

CPF/MF No.: 033,405,407-99-----

EMOLUMENTOS: R\$ 443,30

TABELA: III

