

BRASIL TELECOM HOLDING CO  
Form 6-K  
July 01, 2008

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**THROUGH July 1, 2008**

**(Commission File No. 1-14477)**

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**BRASIL TELECOM PARTICIPAÇÕES S.A.**  
*(Exact name of registrant as specified in its charter)*

**BRAZIL TELECOM HOLDING COMPANY**  
*(Translation of Registrant's name into English)*

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**SIA Sul, Área de Serviços Públicos, Lote D, Bloco B  
Brasília, D.F., 71.215-000  
Federative Republic of Brazil**  
*(Address of Registrant's principal executive offices)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K  
in paper as permitted by Regulation S-T Rule 101(b)(1).

Indicate by check mark if the registrant is submitting the Form 6-K  
in paper as permitted by Regulation S-T Rule 101(b)(7).

Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under  
the Securities Exchange Act of 1934.

Yes  No

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If "Yes" is marked, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b):

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**INSTRUMENT OF TERMINATION  
SUBJECT TO CONDITION PRECEDENT**

The present instrument is entered into by and between the following parties:

- (a) Citigroup Venture Capital International L.P., a limited liability company duly organized and validly existing in accordance with the laws of the Cayman Islands, with its registered office at P.O. Box 281GT, Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands, British West Indies, (CVC Fund );
- (b) Solpart Participações S.A., a corporation duly organized and validly existing in accordance with the laws of the Federal Republic of Brazil, with its headquarters at Rua Lauro Müller, 116, sala 4102 (parte), in the city and state of Rio de Janeiro, enrolled before the Federal Revenue Service under CNPJ/MF n. 02.607.736/0001-58, (Solpart );
- (c) Opportunity Lógica II Fundo de Investimento em Ações, an equity investment fund (*fundo de investimento em ações*) enrolled before the Federal Revenue Service under CNPJ/MF n. 00.185.259/0001-54, herein represented pursuant to its by-laws by its administrator Banco Opportunity S.A., a corporation enrolled before the Federal Revenue Service under CNPJ/MF n. 33.857.830/0001-99, headquartered at Av. Presidente Wilson n° 231, 29° andar, sala 2904, in the city and state of Rio de Janeiro, and by its manager Opportunity Lógica Gestão de Recursos Ltda., a limited liability company enrolled before the Federal Revenue Service under CNPJ/MF n. 07.263.709/0001-29, headquartered at Av. Presidente Wilson n° 231, 28° andar (parte), in the city and state of Rio de Janeiro (Lógica ), in the capacity of Party and successor, as a result of a merger, of Opportunity I Fundo de Investimento em Ações;
- (d) Opp I Fundo de Investimento em Ações, an equity investment fund (*fundo de investimento em ações*) duly organized and validly existing under the laws of the Brazilian Federal Republic (*República Federativa do Brasil*), enrolled before the Federal Revenue Service under CNPJ/MF n. 00.083.181/0001-67, herein represented pursuant to its by-laws by its administrator Banco Opportunity S.A., identified above, and by its manager Opportunity Lógica Gestão de Recursos Ltda., identified above (OPP I );
- (f) Opportunity Fund, a company duly organized and validly existing under the laws of the Cayman Islands, headquartered at UBS House, 227, Elgin Avenue, P.O. Box 852, George Town, Grand Cayman, Cayman Islands, West Indies, enrolled as a mutual fund on 06.15.1994 under the 1993 Mutual Funds Act, before the Federal Revenue Service under CNPJ/MF n. 07.703.638/0001-38, (Opportunity Fund and together with CVC Fund, Solpart, Lógica and OPP I, the Parties );

WHEREAS CLAUSES

WHEREAS on the date hereof CVC Fund, Opportunity Fund, Lógica, OPP I and others, on one side, and Banco de Investimentos Credit Suisse (Brasil) S.A. ( Credit Suisse ) and Telemar Norte Leste S.A. ( Telemar ), on the other side, entered into the Sale and Purchase Agreement of Shares corresponding to the controlling interest in Brasil Telecom Participações S.A. ( BrTP ) and Brasil Telecom S.A. ( Sale and Purchase Agreement ), which provides for, among other issues, the acquisition by Credit Suisse or Telemar, of the totality of the common shares issued by BrTP directly or indirectly held by CVC Fund, Opportunity Fund, Lógica, OPP I and others ( Direct Shares );

WHEREAS the implementation of the transactions that are the subject matter of the Sale and Purchase Agreement ( Intended Sale ) is subject to the fulfillment of several conditions provided for therein;

WHEREAS the Parties wish to definitively terminate the Vote Agreement of Brasil Telecom Participações S.A. dated September 16, 2003 (the Agreement ) upon the earlier to occur between the implementation of the Intended Sale or the termination of the Sale and Purchase Agreement.

NOW, THEREFORE, the Parties agree to enter into the present Instrument of Termination Subject to Condition Precedent (this Instrument ), which shall be ruled pursuant to the following sections and conditions:

SECTION ONE  
DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings when used in this Agreement:

Direct Shares shall have the meaning that is ascribed to it in the Whereas Clauses above.

Intended Sale shall have the meaning that is ascribed to it in the Whereas Clauses above.

BrTP shall have the meaning that is ascribed to it in the Whereas Clauses above.

Agreement shall have the meaning that is ascribed to it in the Whereas Clauses above.

Sale and Purchase Agreement shall have the meaning that is ascribed to it in the Whereas Clauses above.

Credit Suisse shall have the meaning that is ascribed to it in the Whereas Clauses above.

CVC Fund shall have the meaning that is ascribed to it in the Heading above.

Corporations Law means Law n. 6,404, of 12.15.1976, as amended.

Parties shall have the meaning that is ascribed to it in the Heading above.

Solpart shall have the meaning that is ascribed to it in the Heading above.

Telemar shall have the meaning that is ascribed to it in the Whereas Clauses above.

Instrument shall have the meaning that is ascribed to it in the Whereas Clauses above.

## SECTION TWO TERMINATION OF THE AGREEMENT SUBJECT TO CONDITION PRECEDENT

Section 2.01. Termination of the Agreement. The Parties agree that the Agreement shall be deemed immediately and automatically terminated, with no remaining obligations and with no need of further notice to any of the Parties, upon the earlier to occur between the following events ( Condition Precedent ): (i) implementation of the Closing, as defined in the Sale and Purchase Agreement, even if Credit Suisse or Telemar, as the case may be, is not obliged to acquire the totality or part of the Direct Shares pursuant to the provisions of the Sale and Purchase Agreement; or (ii) the termination of the Sale and Purchase Agreement for any reason.

Section 2.02. Condition Precedent. The Parties acknowledge and agree that the effects of this Instrument are, pursuant tot the provisions of articles 121 and 125 of Brazilian Civil Code, suspended until the fulfillment of the Condition Precedent provided for in Section 2.01 above.

## SECTION THREE REPRESENTATIONS AND WARRANTIES

Section 3.01. Representations and Warranties. Each Party represents and warrants to the other Parties on the date hereof that:

- (a) It is duly organized and validly existing under the laws of the country or state where it was incorporated;
- (b) It is authorized by all the corporate authorizations, internal or governmental, necessary to validly enter into this Instrument and to comply with the obligations provided herein;

(c) The execution of this Instrument and the undertaking of and compliance with the obligations provided for in this Instrument do not constitute and shall not constitute a violation, infringement, event of default or other form of default, and shall not result in the creation of any lien or in the imposition of any penalty, under any agreement, instrument, commitment, shareholders or quotaholders Agreement, articles of incorporation, bylaws, articles of association or other corporate documents, regulation, order, decision, decree, law, authorization, permission or concession, to which such Party is a contracting party or that imposes obligations, penalties or limitations to such Party; and

(d) This Instrument constitutes a legal, valid, effective and binding obligation, and the compliance with this Instrument may be required from the Party, in accordance with its terms.

#### SECTION FOUR MISCELLANEOUS

Section 4.01. Successors. This Instrument is entered into on an irrevocable basis, obliging the Parties and their respective heirs, successors and assignees under any title.

Section 4.02. Entire Agreement, Changes and Amendments. This Instrument constitutes the entire agreement entered into between the Parties with respect to the matters hereof, and shall replace any other prior understanding, negotiation, commitments, representations, correspondences and discussions between the Parties, whether written or verbal, relating to the subject matter of this Instrument.

Section 4.03. Other Necessary Measures. Each Party undertakes to take all the necessary measures to ensure the effectiveness of the provisions of this Instrument and shall make its best efforts in order to ensure that the provisions of this Instrument replace any other agreements that deal with the subject matter of this Instrument.

Section 4.04. Registration at the Headquarters. (a) This Instrument shall be filed by the Parties as per the terms and for the purposes of article 118 of the Corporations Law, at the headquarters of Brasil Telecom Participações S.A. and Brasil Telecom S.A. (the Companies ), being incumbent on the Companies to watch over its due compliance and to immediately inform the Parties of any act or omission in violation of this Instrument.

(b) In the book of the Registration of Nominative Shares of each Company, upon the fulfillment of the Condition Precedent, and in the certificates representing the Shares, if any were issued, the following text shall be written: The Vote Agreement of Brasil Telcom Participações S.A., dated September 16, 2003, was terminated and cancelled by the Instrument of Termination Subject to Condition Precedent dated [date], 2008.

Section 4.05. Execution in Separate Counterparts. This Instrument may be executed in two or more separate counterparts, which together shall constitute one single original document.

Section 4.06. Governing Law. This Instrument shall be construed in accordance with and governed by the laws of the Federal Republic of Brazil, disregarding any private international law rule that may cause the laws of any other country or jurisdiction other than the Federal Republic of Brazil to be applicable.

SECTION FIVE  
ARBITRATION

Section 5.1. Any and all disputes resulting from this Instrument ( Dispute ) shall be settled by arbitration.

Section 5.2. The Dispute shall be presented before the Arbitral Tribunal of the International Chamber of Commerce ICC ( ICC ) in accordance with its rules ( Rules ) in force on the date of the request for the institution of the arbitration.

Section 5.3. Each Party and Intervening Party hereof is bound to the current arbitration provision for all legal purposes and effects.

Section 5.4. The arbitral award shall be definitive, not subject to appeal and shall bind the Parties that undertake to comply with it spontaneously, undertaking not to pursue judicial measures, except for the provisions of item 5.7 below.

Section 5.5. The arbitration shall take place in the city of London, England, provided that the arbitrators may not judge based on equity, the Brazilian legislation being applicable. The arbitration shall be carried out in the English language.

Section 5.6. The arbitration shall be constituted by three (3) arbitrators, provided that the claimant(s) (together, as applicable) shall indicate one (1) arbitrator and the respondent(s) (together, as applicable) shall indicate the second arbitrator, and the two arbitrators shall in mutual agreement appoint a third arbitrator, which shall serve as the chairman of the arbitral tribunal. If the dispute cannot be divided into two (2) groups, the provisions of the Rules shall apply. In case the two (2) arbitrators indicated by the Parties fail to appoint the third arbitrator within thirty (30) days counted as of date on which the last of the two (2) arbitrators was appointed, it shall fall to ICC to indicate the third arbitrator. Should the claimant(s) or the respondent(s) not be able to reach an agreement in connection with the respective arbitrator, the three (3) arbitrators shall be chosen and appointed by ICC.

Section 5.7. The provisions of this Section Five notwithstanding, each Party remains with the right of requesting before the competent court elected in this Section, prior to the institution of the arbitral tribunal, the preparatory judicial measures that aim at the obtaining of any urgent remedy for the protection or safeguard of rights that will be the subject matter of the arbitration, without that being interpreted as a waiver of the arbitration. For the exercise of the aforementioned judicial measures, the Parties hereby elect the venue of the Circuit Court of the Capital of the State of Rio de Janeiro, expressly waiving any other, as privileged as it is or may be. Once the arbitration is instituted, the parties undertake to observe, with respect to the judicial measure filed, the orders of the arbitral tribunal.

Section 5.8. The execution of the arbitral award shall be carried out in any court that has jurisdiction over the Parties and their assets. Each Party shall make its best efforts in order to ensure the fast and efficient conclusion of the arbitral proceeding and to comply with it.

Section 5.9. The Parties agree that the arbitration shall be treated as confidential and its elements (including without limitation the allegations of the Parties, evidences, experts reports and other expressions of third parties and any other documents submitted or exchanged within the arbitral proceeding) shall be disclosed only to the arbitral tribunal, the Parties, their lawyers and any person necessary to the development of the arbitration, except if the disclosure is required for the compliance of the obligations imposed by law or by any regulatory authority.

IN WITNESS WHEREOF, the Parties execute this Instrument in five (5) counterparts of same tenor and content and for one single purpose, in the presence of the two undersigned witnesses.

Rio de Janeiro, April 25, 2008.

**Citigroup Venture Capital International Brazil, L.P.**

By:  
Name:  
Position:

**Opportunity Lógica II Fundo de Investimento em Ações**

By:  
Name:  
Position:

(signatures continue on the next page)



Continuation of the signature page of the Instrument of Termination Subject to Condition Precedent of Brasil Telecom Participações S.A.'s Vote Agreement, entered into on 04.25.08 by and between Citigroup Venture Capital International Brazil, L.P., Opportunity Lógica II Fundo de Investimento em Ações, Opp I Fundo de Investimento em Ações, Opportunity Fund

**Opp I Fundo de Investimento em Ações**

By:  
Name:  
Position:

**Opportunity Fund**

By:  
Name:  
Position:

**Solpart Participações S.A.**

By:  
Name:  
Position:

Witnesses:

1. _____	2. _____
Name:	Name:
R.G.:	R.G.:
CPF/MF:	CPF/MF:

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 1, 2008

**BRASIL TELECOM PARTICIPAÇÕES S.A.**

By:           /s/ Paulo Narcélio Simões  
                  Amaral

Name: Paulo Narcélio Simões  
Amaral  
Title: Chief Financial  
Officer

**FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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