

CA-PEQ Central America Poultry Export Quota, Inc.

BID INSTRUCTIONS

CA-PEQ, through its independent Administrator, DTB Associates LLP, and pursuant to regulations of the Republic of Nicaragua (MIFIC) - Ministerial Accord No. 059-2007 (published in La Gaceta # 246, December 21, 2007), is conducting an open tender to allocate the rights to ship U.S.-origin chicken leg quarters duty-free to Nicaragua under a tariff-rate quota (TRQ). CA-PEQ holds an Export Trading Company Certificate of Review issued by the U.S. Department of Commerce for this purpose. See 71 Fed. Reg. 6753 (February 9, 2006), 71 Fed. Reg. 40076 (July 14, 2006), and 72 Fed. Reg. 8690 (February 27, 2007).

Nicaragua has committed to permit duty-free imports of 317 metric tons of chicken leg quarters during 2008. Any person or entity incorporated, domiciled and with a legal presence in the United States is eligible to bid in the tender. This tender is for the 2008 TRQ - 2nd Tranche. The total volume available during this tender is 158 metric tons.

The following requirements apply to all bids:

- All bids must be submitted on the CA-PEQ Bid Form. Bids are valid only if the CA-PEQ Bid Form has been completely filled out and all information requested has been provided.
- All information must be typed. (Note: A machine-fillable PDF copy of the bid form can be found on the CA-PEQ web site, www.ca-peq.org and can be used to prepare bids.) CA-PEQ will not accept bids submitted via e-mail.
- Pages 2 of the Bid Form may be copied for submission of multiple bids.
- A responsible official of the bidder must sign each copy of page 2 of the Bid Form.
- The minimum bid quantity is one (1) metric ton; the minimum bid price is \$22.04 per metric ton (i.e., 1 cent per pound).
- A bidder may not bid for more than the total volume for this tender, as listed above, either in a single bid or in a combination of bids. Bids in excess of the total volume will be invalidated.
- Bidders must provide performance security prior to or with their bids. SEE PAGE 2.
- All bids will be treated as confidential.
- **BIDS MUST BE RECEIVED BY CA-PEQ NOT LATER THAN 5:00 EASTERN DAYLIGHT TIME AUGUST 1, 2008. CA-PEQ RECOMMENDS EARLY SUBMISSION TO ENSURE TIMELY RECEIPT. BIDS MAY BE SUBMITTED EITHER:**

By Hand Delivery to:

CA-PEQ Administrator
c/o DTB Associates, LLP
901 New York Avenue, NW, 3rd Floor
Washington, D.C. 20001

By Fax to:

(202) 661-7091

Certificates of Tariff-Rate Quota Allocation will be awarded to bidders submitting the highest priced bid(s) that meet all other eligibility requirements.

REQUIREMENTS FOR PERFORMANCE SECURITY

- With each bid performance security must be provided in the amount of \$50,000 or the total value of the bid, whichever is less.
- Performance security may be in one of the following forms:
 - Wire transfer of funds to CAPEQ, Inc. at :

Bank:	Chevy Chase Bank, Washington, D.C.
ABA:	255071981
Account Name:	CA-PEQ, Inc.
Account Number:	2574301218
Ref:	<Bidder's Name>

If the Bidder chooses to provide performance security by wire transfer, the funds must be **received by** Chevy Chase Bank **not later than 1:00 p.m. Eastern Daylight Time** on August 1, 2008.

- Verifiable irrevocable Letter of Credit for the benefit of CA-PEQ issued by an FDIC-insured U.S. bank and advised through Chevy Chase Bank **not later than 1 p.m. Eastern Daylight Time on August 1, 2008**. The Letter of Credit must mention Chevy Chase as advisory bank in the following terms:

Chevy Chase Bank
Advisory Bank
ATTN: Dan Rhoads, 13th Floor
7501 Wisconsin Avenue
Bethesda, MD 20814.

- Cashier's check payable to "Central America Poultry Export Quota, Inc." **received by** the CAPEQ Administrator **on or before 5 p.m., Eastern Daylight Time on August 1, 2008**.

NOTIFICATION OF QUOTA AWARDS - APPLICATION/RETURN OF SECURITY

- Successful bidder(s) will be promptly notified and shall have three business days after being notified to pay the full price of their bid(s) to CA-PEQ either by wire transfer of funds or by certified bank check. If the full bid price is not paid in the time allotted, **the performance security will be forfeited to CA-PEQ and the award will be offered to the next highest bidder.**
- Performance security may be applied to a high bidder's bid payment if the bidder has so indicated on the Bid Form. Because of the short deadlines involved, **CAPEQ strongly discourages successful bidders from applying a Letter of Credit to a bid payment.**

Performance securities will be promptly returned to the bidder unless, pursuant to bidder instructions on the Bid Form, the performance security is applied to the bid price of a successful bid or is retained as security for a subsequent Open Tender Process. Please provide an address or wire instructions for the return of performance securities.

OPERATION OF THE TENDER PROCESS AND THE TRQ SYSTEM

The bidder(s) offering the highest price per metric ton whose bids conform fully to bid requirements will be notified promptly. Payment for the full amount of a successful bid may be made either by certified check or by wire transfer, and must be received by CA-PEQ within five business days of the notification or the performance security will be forfeited. If the quantity awarded for an individual bid does not match the quantity requested, the bidder has the option to reject all or part of the quantity awarded for that bid without penalty. Bidders must notify the CA-PEQ Administrator via facsimile at (202) 661-7091 within one (1) business day if they choose not to accept all or part of an award. If the full price of one or more high bids is not received by the due date, or if a high bidder rejects a partial award, the quantities will be offered to the next highest bidder(s). Performance securities will be retained until all of the tonnage available in the open tender has been allocated.

CA-PEQ Certificates of Tariff-Rate Quota Allocation ("Certificates") designating the quantity of chicken leg quarters will be transmitted to each successful bidder via overnight delivery within two business days of receiving faxed instructions from the successful bidder concerning the denomination in which TRQ Certificates awarded to it should be issued. An account will be established for each successful bidder for each quota period, and as requests for TRQ certificates are received and processed, the amount of each certificate will be deducted from each successful bidders account until certificates in the full amount of their successful bid (s) have been issued.

Pursuant to Nicaraguan regulations, the Certificates may be used to enter U.S. chicken leg quarters into Nicaragua under TRQs provided that the importer also registers with the "Dirección de Aplicación de Tratados" (DAT) of the "Dirección General de Comercio Exterior del Ministerio de Fomento, Industria y Comercio" (MIFIC) of Nicaragua. The procedures for registration are set forth in Article 10 of Ministerial Accord No. 059-2007 (published in "La Gaceta" # 246, December 21, 2007). Parties seeking to import product into Nicaragua must also comply with all other applicable Nicaraguan import and health requirements. TRQ quantities not covered by import licenses issued for one Tranche are carried over to the following Tranche, in the same year.

TRQ certificates issued in this Open Tender Process will remain valid until December 31, 2008, and can be used in two ways:

The holder or the transferee of a TRQ Certificate may use the Certificate to import chicken leg quarters into Nicaragua during 2008, and/or TRQ Certificates may be transferred. An Agreement on terms of transfer of certificates are between the certificate holder and the party to whom they wish to transfer the certificate(s). CA-PEQ serves no role in negotiation between a quota holder and a party that wishes to acquire quota rights from the quota holder, and CA-PEQ assumes no liability for any dispute arising between quota holders and the parties to whom they have assigned quota rights. Any quota holder that agrees to transfer its rights to another party must notify the CA-PEQ administrator within 24 hours of agreeing to transfer its rights, and include in the notification:

- The legal name, address, telephone number and e-mail information of the party to whom it is transferring rights
- The volume, delineated in metric tons, of quota rights it has agreed to transfer

- If the transfer is for product that CA-PEQ has issued the original holder a quota certificate, a copy of that certificate showing the endorsement to the acquiring party. The copy of the certificate must be sent via fax at 1-202-661-7091 to the CA-PEQ administrator within 24 hours. If the volume the quota holder wishes to transfer is less than that included in the original certificate, the original certificate must be returned to the CA-PEQ administrator, the administrator will void the original certificate, and issue new certificates to both parties. If the transfer is for an amount for which CA-PEQ has not issued a certificate, the original certificate will be issued to the transferee.

PLEASE ADDRESS ANY QUESTIONS TO THE OFFICE OF THE CA-PEQ ADMINISTRATOR BY PHONE AT 202-661-7092, BY FAX AT 202-661-7091 OR BY EMAIL TO ADMINISTRATOR@CA-PEQ.ORG.