



Community Educators Television of Orange County, Inc.

**3901 Highway 121 South
Bedford, Texas 76021-3009
817-571-1229**

February 13, 2012

**Department of General Services
District Office
3401 CSM Drive
San Mateo, California 94402**

Re: Request for Proposal (RFP) 86635

To Whom It May Concern:

Community Television Educators of Orange County, Inc. is pleased to submit the attached proposal in response to the referenced RFP concerning the sale by San Mateo County Community College District (SMCCD) of its Full Power non-commercial television station, KCSM-TV.

We believe we are a uniquely qualified bidder due to our affiliation with Daystar Television Network. Daystar, a non-profit entity, owns and operates over 100 TV stations throughout the United States including stations in more than 40 of the 50 largest US television markets.

Daystar is now on in over 100 million homes out of the 115 homes in the United States, including nationally on:

**DirectTV – (Ch. 369)
Dish Network – (Ch. 263)
Verizon FiOS – (Ch. 293)
AT&T U-verse – (Ch. 563)
Comcast
Time Warner
Cox Cable
Cablevision**

Worldwide, Daystar is in 670 million homes which represent over 2 billion people.

Several of Daystar's affiliate full powers TV Stations are NCE (non-commercial, educational) stations. These NCE stations have met FCC qualifications for non-commercial TV Stations in the following markets as far back as July 1997, which is over 14 years:

Dallas – Fort Worth
Boston
Houston
Phoenix
Seattle
Denver
Indianapolis
Little Rock
Honolulu

As part of our willingness to demonstrate our financial ability to close on the purchase of KCSM-TV, we are willing to put all of the purchase money in escrow (which would be released upon FCC approval and the closing of the transaction).

Feel free to contact Arnold Torres at 817-799-2138 or via email to Arnold.Torres@daystar.com for any further questions or clarifications.

Sincerely,



Marcus D. Lamb
President

Appendix A

BIDDER INFORMATION AND SIGNATORY PAGEBidder Name: COMMUNITY TELEVISION EDUCATORS OF ORANGE COUNTY, INC.Business Address: 3901 HIGHWAY 121 SOUTHTelephone: 817-571-5200Fax: 817-571-0239Email: CTE@DAYSTAR.COM

Web Site: _____

Type of Firm: Corporation: ☒

Proprietorship: _____

Partnership: _____

Joint Venture: _____

Other (please describe): _____

Business License Number: _____

Number of years in business under firm name: 7 YEARS, 10 MONTHS

Full names of firm's owners (> 5% ownership), officers and managing employees:

NON PROFIT ENTITY. NO OWNERS. OFFICERS ARE:MARCUS D. LAMB, PRESIDENTJONI T. LAMB, VICE PRESIDENT / SECRETARYHas the firm changed its name within the past 3 years? YES ☐ NO ☒

If yes, provide former name(s): _____

If yes, explain: _____

Have officers or principals of the firm ever had their business license suspended or revoked for any reason? YES ☐ NO ☒

If yes, please explain: _____

Name and title of person completing responsible for submission of this Proposal and the responses to this questionnaire:

Signature: Marcus LambDate: 2/13/12Name & Title: MARCUS D. LAMB, PRESIDENTPhone: 817-571-5200Email: CTE@DAYSTAR.COM

Appendix B

NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF SAN MATEO

I, MARCUS D. LAMB, being first duly sworn, deposes and says that I am
(Typed or Printed Name)

PRESIDENT of COMMUNITY TELEVISION EDUCATORS OF ORANGE COUNTY, INC.
Title ("the Bidder").

the party submitting the foregoing Proposal. In connection with the Proposal, the undersigned declares, states and certifies that:

1. The Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, Bidder, association, organization or corporation.
2. The Proposal is genuine and not collusive or sham.
3. The Bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any other bidder or anyone else to put in a sham proposal, or to refrain from submitting a proposal.
4. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Proposal price, or that of any other Bidder, or to fix any element of the Proposal price or terms or those of any other bidder, or to secure any advantage against the public body awarding the contract or of anyone interested in the proposed contract.
5. All statements contained in the Proposal and related documents are true.
6. The Bidder has not, directly or indirectly, submitted the Proposal price or terms or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any person, corporation, partnership, bidder, association, organization, Proposal depository, or to any member or agent thereof to effectuate a collusive or sham Proposal.

Executed this 13TH day of FEBRUARY, 2012 at BEDFORD, TARRANT COUNTY, TEXAS
(City, County and State)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature: _____

Marcus Lamb
PRESIDENT, COMMUNITY TELEVISION EDUCATORS
OF ORANGE COUNTY, INC.

Date: _____

2/13/12

Responses to all questions posed in Section II of Scope of Proposal are bolded below:


1. Describe your offer. Please include total price offered, to be paid by wire transfer of immediately available federal funds at the closing of the transaction. Please provide evidence of the source of the cash. Please describe any intention to pursue financing/loans/or other funds, including: Information on your expected sources; Information regarding reserves; lines of credit or other new financing needs. Please be specific with respect to your intention to lease District space. As an alternative to value of competing offers, considering factors such as net present value and creditworthiness of the bidder. While the District will entertain offers involving deferred payments, it has a preference for bids that include all or substantially all cash upon closing.

Community Television Educators of Orange County, Inc. ("CTE") is offering \$4,634,000 in cash for the purchase of KCSM-TV. CTE will put all of the purchase money in escrow to demonstrate its financial capability to close and its serious intent to acquire KCSM-TV. The escrow funds are now available for immediate deposit through an existing agreement between CTE and Word of God Fellowship, Inc. DBA Daystar Television Network ("Daystar Television Network"). The funding for the purchase of KCSM-TV will ultimately be provided in a loan to CTE from The Frost National Bank as soon as the Assignment of License is approved by the FCC, at which time CTE use the loan proceeds to repay the escrow funds advanced by Daystar Television Network. CTE is interested in leasing space from the District for Master Control and will work with the District to identify the appropriate space needed that will minimize any impact on the continued broadcasting program at the College of San Mateo. CTE is not a CPB qualified organization and is of the understanding and belief that the sum that the seller will have to pay in connection with the CPB Digital Distribution Funds grant if the station is sold to an entity that is not CPB qualified is \$634,000.00. Thus, CTE has included such amount of \$634,000 in the purchase price as the estimated payment that will have to be paid

under the CPB Digital Distribution Funds grant as a result of CTE's lack of CPB qualification, so that the true net purchase price to be realized by the District would be \$4,000,000.00. Thus, that \$634,000 portion of the purchase price is contingent on the actual amount that the station is required to pay in connection with such CPB liability.

2. Disclose the full names of your governing board members including their time served on the board.

The current board members of CTE are Marcus D. Lamb, Joni T. Lamb and Alan Bullock, all of whom have served since the formation of the entity in April of 2004. Additional board members are being added prior to March 1, 2012 and such additional members will include individuals that are broadly representative of the community and are local and live in the San Mateo area or nearby greater metropolitan area.

3.  (initial if statement is true) There are no adverse findings with respect to violations of the law for the board members which would preclude the entity from purchasing the station.
4. Attach a brief description of your organization, its structure, and its state/country of incorporation or formation including its non-profit status (501c3 or other determination). If you have an attributable interest in any radio or television stations, please describe them. Additionally, include annual audited financial statements for the last three years of your operation.

Community Television Educators of Orange County, Inc. ("CTE") is a Texas non-profit corporation initially formed for the potential purchase of another television station that failed to materialize. The name of the entity will be changed to Community Television Educators of San Mateo County, Inc. in the event CTE is selected as the winning bidder for KCSM-TV. While CTE

has no attributable interest in any radio or television stations, it is affiliated with Daystar Television Network, which has significant broadcast interests listed as Exhibit 1 of this proposal. CTE has no annual audited financial statements as the corporation has had no income. However, CTE is as an affiliate of Daystar Television Network and will provide Audited Financials of Daystar Television upon request, subject to a mutually acceptable and typical confidentiality agreement.

5. YES (yes or no) Our Bidder may wish to offer employment to some of the displaced KCSM employees. (The willingness to offer employment to existing KCSM-TV personnel will be a decisional factor only among bids that are of equal value).
6. Explain how your organization would meet the FCC requirement to be broadly representative of the community of license, San Mateo, CA.

The majority of the board members of CTE will include individuals that are broadly representative of the community and are local and live in the San Mateo area or nearby greater metropolitan area. They will all be aware of the public needs and interests of the community and intend to be responsive to those needs in directing the station's programming. These local board members will have unique experience in in education, civic matters, cultural activities and the arts as it relates to the community of license of San Mateo and the nearby metro area. Daystar Television Network has assisted a number of other existing and newly formed entities in meeting the requirements of the FCC for acquisition, ownership and operation of educational non-commercial televisions stations and will be providing similar assistance to CTE in the acquisition of this station.

7. CPB qualifications:

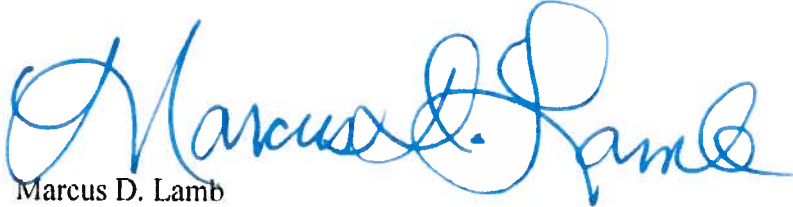
☐ CPB qualified currently

☐ I believe we could qualify for CPB financial support

☒ I believe we could not qualify for CPB financial support

(CPB qualifications standards may be accessed, as of the time of this writing, at [http://www.cpb.org/stations/grants/tv/generalprovisions/cpb 12TV CSG GeneralProvisions.pdf](http://www.cpb.org/stations/grants/tv/generalprovisions/cpb%20TV%20CSG%20GeneralProvisions.pdf), although it is Bidder's responsibility to determine those standards).

Respectfully submitted,



Marcus D. Lamb

PRESIDENT, COMMUNITY TELEVISION EDUCATORS OF ORANGE COUNTY, INC.