

LocusPoint Networks
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(650) 678-2508

www.locuspoinnetworks.com

February 14, 2012

Janet Roecks
Director of General Services
District Office, 3401 CSM Drive
San Mateo, California 94402

Dear Ms. Roecks:

LocusPoint Networks (LPN) is pleased to submit the attached proposal in response to RFP #86635.

Based in San Mateo County, LPN was founded to develop efficient uses of broadcast TV spectrum. A key focus area for the company is to help non-commercial TV stations find the maximum value of their spectrum.

We believe that the LPN Proposal is most advantageous to the District because our proposal:

- fully recognizes KCSM asset value with an upfront payment
- eliminates the on-going financial drain to the District
- allows the District the opportunity, if it chooses, to continue to provide programming and maintain employment at KCSM without financial risk to the District
- provides the District an attractive upside financial opportunity

LPN is a highly responsible bidder that is technically, financially and operationally prepared to execute on our Bid. The company founders have over 50 years of combined management experience in the communications industry.

As the Co-Founder and CEO of LPN, I have over 30yrs of communications industry executive experience including AT&T, Sprint, Dial Call (merged with Nextel in a \$1billion transaction.) Most recently, I was CEO of Telespree Communications - a San Francisco based mobile software platform company with Sprint, Virgin Mobile and Best Buy as customers. I received my BS from the University of Southern California, and my MBA from Harvard.

Ravi Potharlanka is the other Co-Founder of LPN. Mr. Potharlanka has over 20yrs of communications industry executive experience including AirTouch, Nextel, and Teligent. Most recently, he was the COO of FiberTower, a publicly traded San Francisco based communications infrastructure company with Verizon, AT&T, Sprint and T-Mobile as customers. Mr. Potharlanka received his MSEE from the University of California at Davis, and his MBA from Harvard.

Our FCC counsel is Lukas, Nace, Gutierrez & Sachs. Our proposed transaction has been reviewed with the FCC Media Bureau. We believe that the LPN bid is responsive to the needs of the District. LPN appreciates the District's consideration of our Bid, and we look forward to the next phase of the process.

Regards,

A handwritten signature in black ink, appearing to read "William D. deKay", with a stylized flourish at the end.

William D. deKay
CEO
LocusPoint Networks

Appendix A

BIDDER INFORMATION AND SIGNATORY PAGEBidder Name: LOCUS POINT NETWORKS LLCBusiness Address: 32 LOMA VISTA LANETelephone: 650 6782508 Fax: 775 201-7094Email: BILL@LOCUSPOINTNETWORKS.COM Web Site: WWW.LOCUSPOINTNETWORKS.COM

Type of Firm: Corporation: L.L.C. Proprietorship: _____
 Partnership: _____ Joint Venture: _____
 Other (please describe): _____

Business License Number: 45-4287995Number of years in business under firm name: <1

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

William de KayRavi Potharanka

Has 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: William de Kay Date: February 14, 2012Name & Title: William de Kay, CEO LOCUS POINT NETWORKS LLC

Phone: 650 6782508 Email: BILL@LOCUSPOINTNETWORKS.COM

Appendix B

NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF SAN MATEO

I, William de Kay, being first duly sworn, deposes and says that I am
(Typed or Printed Name)

CEO of Locus Point Networks, LLC.
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 14 day of February, 2012, at Belmont San Mateo County, California.
(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: William de Kay Date: February 14, 2012

LocusPoint Networks

RFP RESPONSE FOR SALE OF KCSM-TV

RFP:	SMCCCD, Sale of KCSM-TV
RFP #:	86635
DUE DATE:	February 14, 2012
DATE OF SUBMISSION:	February 14, 2012

COMPANY CONTACT:

William deKay, CEO/Cofounder
LocusPoint Networks
32 Loma Vista Lane, Belmont, CA 94002
Phone: (650)678-2508
Email: bill@locuspoinetworks.com

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RESPONSE 4(A): OFFER

Background

LocusPoint Networks ("LPN") was formed in 2011 to invest and develop business opportunities for more efficient use of broadcast spectrum. One of the key LPN strategies is to develop shared platforms for channel sharing among broadcasters in all the top U.S. markets. The specific goal of this strategy is to (a) allow multiple broadcasters to transmit their programming on one channel (through the implementation of advanced encoding and statmuxing technologies) and (b) free up channel/s for other uses down the road. This strategy was developed taking into consideration one of the key FCC's policy objectives.

LPN is led by seasoned executives from the communications industry with extensive background in strategy & business development, technology development, business operations, and spectrum management.

Proposal

LPN has developed a proposal that addresses immediate needs for SMCCCD while retaining the flexibility to continue the operations of KCSM-TV. LPN proposes to acquire the Station License, Leased Real Property, and Physical Assets for an attractive price. All assets and tower lease will transfer to LPN at closing. License transfer will occur at later time defined in the final agreement between the two parties. LPN also proposes to establish an on-going relationship with SMCCCD for operating KCSM-TV. Finally, LPN will manage the spectrum assets of KCSM and be responsible for investing, enhancing, and maximizing its value.

Our proposal is comprised of the following elements:

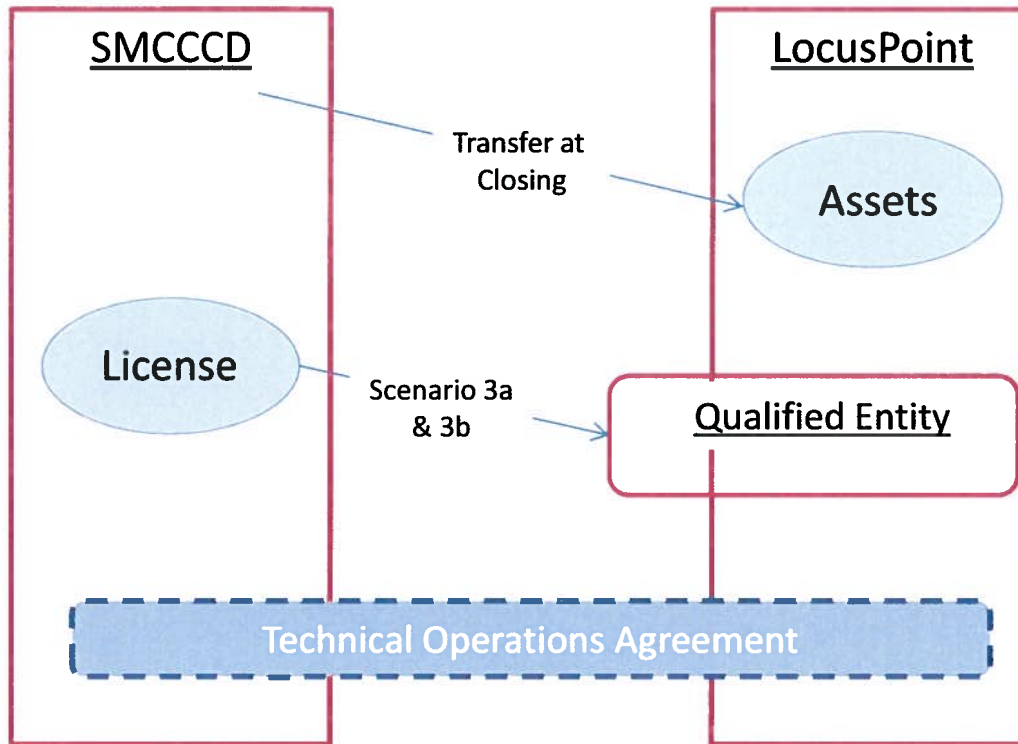
1. LPN will pay SMCCCD \$2,000,000 on July 1, 2012 for
 - a. acquisition of all the assets of the TV station and assumption of the lease at Sutro tower
 - b. the irrevocable right to manage & enhance the value of spectrum assets of KCSM, including exploration of channel sharing opportunities and potential resale
 - c. establishment of a Technical Operations Agreement (TOA) between LPN and SMCCCD.
2. The TOA will serve as the framework for running and operating the station. Specifically,

- a. LPN will contract with SMCCCD for the following services:
 - i. Marketing: activities to pursue CPB grants, subscription and membership revenues, and other income sources
 - ii. Production: programming, production, and broadcasting to meet FCC required minimums
 - iii. Management: services to run, operate, maintain, and manage the station
 - iv. Indirect Support: indirect support activities including community representation as required by FCC.
 - b. In exchange for the above referenced services, LPN will pay SMCCCD a sum of \$1,000,000 per year. SMCCCD and LPN will work together to establish the required staffing level to support these services.
 - c. LPN and SMCCCD will ensure that the license is in compliance with FCC rules, and that KCSM continues to qualify for and receive CPB grants.
 - d. SMCCCD will continue to have access to the station assets to broadcast additional programming for its use and other purposes as long as it is able to cover such costs.
3. SMCCCD will remain the Licensee until such time that SMCCCD or LPN elects to effect a license transfer to a qualified entity (i.e. an entity permitted to operation a noncommercial television station)
- a. If LPN elects for a transfer within one year, SMCCCD will transfer the FCC license to qualified entity. SMCCCD will be paid \$100,000 at time of transfer, and LPN will have no further financial obligation.
 - b. If SMCCCD elects for a transfer within one year, SMCCCD will transfer the FCC license to a qualified entity acceptable to LPN. LPN will have no obligations to SMCCCD post transfer.
 - c. If neither party elects for a transfer within one year, SMCCCD will be eligible to receive 10% of the proceeds from the management of SMCCCD spectrum assets, after return of capital

The LPN proposal is unique and first of its kind in allowing an educational institution to monetize TV station assets while retaining the use of the station. Our proposal allows SMCCCD to immediately eliminate the cash burn from the TV station operations while monetizing most of the assets. It also gives SMCCCD the option of continuing to use the station without having to completely sever ties and disengage from the station. Additionally, SMCCCD will have the opportunity to participate in proceeds of any future value that may be realized through management of spectrum assets associated with KCSM-TV.

Overview of Proposed Transaction

The below diagram captures of the proposed transaction:



Funding/Financing

LPN was formed in late 2011 and is in advanced discussions with various capital sources to finance transactions. If selected as one of the shortlisted candidates, we expect to have the appropriate funds lined up within 45 days of such notification.

Given the confidential nature of our current funding discussions with capital sources, and the possibility that information shared as part of the response may become a matter of public review, we propose to share specifics after your initial review of our proposed structure.

District Space

Per our proposal, the TOA will require continued use of certain facilities. SMCCCD employees who are funded by LPN will continue to work out of their existing facilities. We do not anticipate a separate lease agreement between LPN and SMCCCD, and instead assume that any such costs are already bundled into the service fees of \$1,000,000 per year outlined in Item 2 of our proposal.


RESPONSE 4 (B)

Board Members and Time Served

LocusPoint Networks is a Limited Liability Company incorporated in the State of California in 2011. The company has two officers: William deKay and Ravi Potharlanka. They are also the co-owners of the company. Mr. deKay and Mr. Potharlanka have served in these capacities right from the inception of the company. Prior to these roles, both of the principals served as executives, officers, and board members of several successful companies in the communications industry.

RESPONSE 4 (C)

Adverse Findings

 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.

RESPONSE 4 (D)

Organization

LocusPoint Networks is a Limited Liability Company incorporated in the State of California in 2011. LPN is not a non-profit organization at this time.

Attributable Interest

LPN currently does not have any other interest in radio and television stations. However, the company is in advanced and active discussions with stations across the country.

Financial Statements

LPN was formed in late 2011, and as such does not yet have any audited statements to present. The company will be pleased to present unaudited financials or a statement of accounts at the appropriate time.

RESPONSE 4 (E)**Employment**


YES (yes or no) We may wish to offer employment to some of the existing displaced KCSM employees.

Our proposal assumes continued support from SMCCCD under the TOA. By its very structure we expect that several employees will continue to be employed by SMCCCD to support the operations of KCSM-TV.

RESPONSE 4 (F)

Community Representation

Both the principals of LPN have long standing relationship with San Mateo County. Mr. deKay has lived in San Mateo county for the last 10 years. Mr. Potharlanka, who now resides in Contra Costa county, lived in San Mateo county for 4 years between 2001 and 2004. Further both the principals and their families have had past associations with SMCCCD in the form of taking classes and being part of the institution.

RESPONSE 4 (G)

CPB Qualifications

LPN is unlikely to qualify for CPB financial support. In order to address this specific issue, we propose that SMCCCD continue to be the license holder. The joint team of LPN/SMCCCD under the proposed structure will continue to qualify for future CPB grants with the added advantage of avoiding the potential repayment for equipment purchased under the CPB Digital Distribution Finds grants.

