

Department of General Services - District Office  
3401 CSM Drive  
San Mateo, CA 94402  
650.574.6508

1640 Alum Rock Avenue  
San Jose, CA 95116  
408.929.2800

February 14, 2012

To whom it may concern:

Our group, KAXT LLC, is interested in helping KCSM-TV return to solvency and would appreciate your consideration in this bidding process. Our proposal is unique in at least one respect: if the District is willing, we would like to help return KCSM to self-sufficiency without need for outright divestiture of the FCC license to our group.

As one of the last locally owned and operated broadcast television groups, KAXT sees KCSM as a very valuable asset that should be retained by the District and its constituents.

Thus, we propose two solutions:

KAXT enters into a joint venture with KCSM. We will run the day-to-day broadcast operations, streamline costs to run the outfit, while keeping the integrity of KCSM programming.

It is our strong conviction that with a change in operational oversight and an adjustment in the monthly rent KCSM pays to Sutro Tower, roughly \$900,000 in savings can be realized annually, saving the station for the community.

If this type of venture is not an option, then we would like to express our interest in purchasing KCSM for \$2.03 million dollars, which we can obtain through financing.

We have a full-fledged broadcast facility located in San Jose, so there is no need for us to lease anything from the District. And we will strongly consider existing KCSM personnel for jobs created in the midst of this potential acquisition.

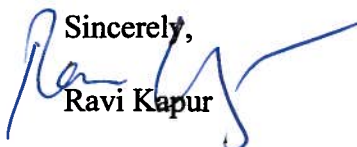
The members of KAXT LLC are qualified to operate KCSM-TV based on the long and distinguished track records of our management. KAXT President Warren Trumbly has been in the industry for more than 40 years, building dozens of television stations around the nation, owning and operating five stations within Northern California. Vice President Ravi Kapur is an award winning journalist and former CSM student, who in addition to running KAXT, founded the nations first South Asian and Filipino broadcast networks, and is in the process of constructing a new television station in Chicago.

KAXT is now America's most diverse television station and in 2010, *Broadcast Engineering* nominated KAXT as Station of the Year based on the engineering feat of operating 20 channels on one television station.

We hope you see there is no group more focused on continuing KCSM's exquisite service to San Mateo and the greater Bay Area. Together, we can turn this extraordinary station around.

Sincerely,

Ravi Kapur



- a) The bidder must be either (1) a nonprofit corporation, organized as an educational and charitable corporation validly existing and in good standing in the State of California and incorporated, organized and operated in such a manner as to qualify as a nonprofit corporation under section 501 (c)(3) of the Internal Revenue Code (or any successor provision), exempt from taxation under section 501 (a) of the Internal Revenue Code (or any successor provision); or (2) another type of eligible entity permitted to operate a noncommercial television station under FCC rules and regulations and to conduct business in California; and
  - b) On or before closing, the certificate of incorporation and by-laws of the bidder must authorize the receipt the FCC operating licenses currently assigned to the KCSM-TV and the ownership of the related assets and liabilities and provide that the purposes of the nonprofit corporation include the ownership, and operation of a non-commercial, educational television station.
- 3) **NO REPRESENTATIONS AND WARRANTIES AS TO INFORMATION SET FORTH IN THIS RFP.** Certain information concerning KCSM-TV and the District has been provided as part of this RFP in Appendices C and D. However, please note that these attachments are for the convenience of the bidders only and, except as shall be specifically represented and warranted in the Asset Purchase Agreement among the parties, the District, in KCSM-TV's capacity as FCC licensee, does not and will not make any representations or warranties as to these materials, financial information, market shares, potential revenue, competitive factors, costs of operations or any other matters that are forward-looking.

Neither the District nor legal counsel represents or warrants the accuracy of this information or of any estimates contained herein. All documents and estimates should therefore be independently verified and confirmed by potential bidders.

The selected Bidder(s) will have an opportunity, and are encouraged, to make an independent evaluation and confirmation of all such matters during a due diligence period.

- 4) **Proposal Response**  
Potential bidders must review and respond in detail to all of the following questions in order to assure understanding of the scope and provisions of each party's responsibilities under this Request for Proposal. The selected bidder shall be required to enter into a contract to purchase upon notice by the District that they have been selected. Bidders should note in their responses any exceptions, objections or additions to the terms outlined.
- a) 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.

- b) Disclose the full names of your governing board members including their time served on the board.
- c)                      (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.
- d) 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.
- e) 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).
- f) Explain how your organization would meet the FCC requirement to be broadly representative of the community of license, San Mateo, CA.
- g) 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_12TV_CSG_GeneralProvisions.pdf), although it is Bidder's responsibility to determine those standards).

## Appendix A

**BIDDER INFORMATION AND SIGNATORY PAGE**

Bidder Name: KXT LLC  
 Business Address: 164 W. Main Street, St. Albans, VT 05478  
 Telephone: 408 929 0288 Fax: 408 929 0288 95714  
 Email: kxtf@kxtf.com Web Site: kxtf.com  
 Type of Firm: Corporation: ✓ Proprietorship: \_\_\_\_\_  
 Partnership: \_\_\_\_\_ Joint Venture: \_\_\_\_\_  
 Other (please describe): \_\_\_\_\_

Business License Number: \_\_\_\_\_  
 Number of years in business under firm name: 3 years  
 Full names of firm's owners (> 5% ownership), officers and managing employees:

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: [Signature] Date: 2/14/12  
 Name & Title: Paul Kopp Vice President  
 Phone: 415.886.7284 Email: paul@kxtf.com

**Appendix B****NON-COLLUSION AFFIDAVIT****STATE OF CALIFORNIA****COUNTY OF** San MateoI, Ram Lopez, being first duly sworn, deposes and says that I am  
(Typed or Printed Name)Vice President of ICAT 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 San Mateo, San Mateo, CA  
(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: Ram LopezDate: 2/14/12