

SOUTHERN TIER NETWORK, INC.

Minutes

November 10, 2011

8 Denison Parkway East, Suite 310, Corning, NY

ATTENDANCE

Board Members: David Hopkins; Michael Krusen; Mark Middaugh; Michael Printup; Timothy O'Hearn; Marcia Weber; Howard Zingler

CEO: Steven Manning

Absent: Mark Alger; Judy McIntosh; Mark Rogus; Jack Wheeler

Guests: Craig Keefer, Corning, Inc.; Andy Lukasiewicz, ECC; James Townsend, STN attorney

Speaker Phone: Joe Starks

Call to Order: The meeting was called to order at 10:10 a.m. by Chair Marcia Weber in the conference room at the STC office.

1. Approval of Minutes – October 13, 2011 Upon a motion duly made (Mark Middaugh, Tim O'Hearn) and carried, the minutes of the October 13, 2011 meeting were approved.
2. STN Logo Presentation – Craig Keefer, Corning Inc., presented designs of potential STN logos/branding. After review and discussion, the board chose one. The group thanked Craig for his presentation and help, and Craig left the meeting. It was suggested that the logo be trademarked; Jim Townsend will research this, and Craig will be asked for his research as well.
3. ECC Activity Report

ECC has been in discussion with potential carriers, exploring connections within and to the STN region and to the north.

ECC has met with possible customers and has identified key locations and priorities for each.

A draft contract has been created for Schuyler Hospital, which is requesting a quick turnaround. The contract includes the Master Agreement, Service Level Agreement, and Fiber Leasing Addendum (e-mailed previously to board members). These documents are currently used by Axxess Ontario and have been revised for STN.

The board discussed the termination fee and whether it would be applied if a customer closed one location but added another. Further discussion included the building of laterals and the business analysis required to determine costs.

The first few contracts to be signed will be brought to the board. After that, the Board agreed that Steve Manning, CEO, would sign contracts without Board approval, notifying the board of the signing at its next meeting.

The board discussed all of the agreements at length. A motion was duly made (Howard Zingler/Mark Middaugh) and carried to approve the general outline of the Fiber Leasing Addendum that allows management (Steve Manning and ECC) to cover capital costs up to 10% of the firm/contractual revenue for contracts of five years or more.

General Report – After discussion, the board, on a motion duly made (Dave Hopkins/Mark Middaugh) and carried, concluded that financial committee members and CEOs from STN and Axxess Ontario, along with ECC and Jim Townsend, will meet to determine an arrangement for contracting with specific customers that use both networks. The board recognized that both Jim Townsend and ECC work with both organizations and did not object to that.

A lengthy discussion took place concerning the issue of building versus leasing from a potential provider. It was suggested that an STN representative meet with ECC, Jim Townsend, and the potential provider to discuss the terms of this possible agreement.

Construction - ECC will send an update to the board on construction issues.

Bidding – the ad for bid submission has been published in the papers, with approximately six vendors responding to date. Bids will be released on Monday.

4. Financial Report – Marcia distributed the financial report for October.
5. Board Committees – a document listing the responsibilities of the Audit/Finance Committee and Governance Committee was distributed. Jim stated that both committees are authorized by the by-laws and required by statute, and the Authorities Budget Office (ABO) has prescribed general outlines for them. Board members were asked to send comments or questions to Jim Townsend and to contact Steve with their preference regarding committee membership. The finance/audit committee must be dominated by independent members.
6. NYS Regional Economic Development Council Report – to be discussed at next meeting.
7. CEO Report – to be discussed at next meeting due to the late hour.
8. Other – there was no other business.
9. Adjourn – The meeting adjourned at 12:30.

Respectfully submitted,
Susan M. Cratsley, Recording Secretary