

BY-LAWS  
of  
SOUTHERN TIER NETWORK, INC.

Adopted – February 24, 2011  
Amended – September 17, 2012  
Amended – November 14, 2013

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of  
SOUTHERN TIER NETWORK, INC.

ARTICLE I

PURPOSE OF CORPORATION

The Corporation has been formed as a not-for-profit local development corporation under Article 14 of the Not-For-Profit Corporations Law. Its purpose is promoting and providing economic development opportunities within Chemung, Schuylers and Steuben Counties, providing additional employment and job opportunities, and promotion of scientific research for the purpose of attracting industry to the community, retaining businesses in the area and relieving the burdens of government, working in partnership with the private sector without direct competition for services, all as more fully set forth in the Certificate of Incorporation filed in the New York State Department of State on January 11, 2011.

ARTICLE II

MEMBERS AND MEETINGS

Section 1.     Members. The Corporation shall have no members.

Section 2.     Annual Meetings. The annual meeting of the corporation, for the election of directors and for the transaction of such other business as may be set forth in the notice of meeting, shall be held at the principal office of the corporation, or at such place within the State of New York as the board of directors shall determine, on or before the last day of February of each year. If that day be a legal holiday in any year, the meeting shall be held at the same hour and place on the next day following that is not a legal holiday.

ARTICLE III

DIRECTORS

Section 1.     Management of Corporate Affairs. The management of the affairs of the corporation shall be vested in a board of directors. All the powers of the corporation shall be

exercised by the board of directors in such manner and upon such terms and conditions as it may determine.

Section 2. Election of Directors. The number of directors shall be no less than seven nor more than fifteen as determined by the Directors. Directors shall be selected for their knowledge of economic development, local government affairs, health care, marketing, business, finance and telecommunications. The Board shall consist of: The County Administrators of Chemung, Schuyler and Steuben Counties, the Executive Director of the Southern Tier Regional Planning Board and three to eleven at-large members selected from the educational, research and technical facilities, health care and other businesses and organizations which might understand the benefit of the economic development projects of the Corporation including community organizations and businesses dedicated to economic development such as chambers of commerce, foundations, trade associations, colleges or universities located in the Counties. The *ex officio* members may designate another person from the appropriate agency to serve at any meeting in the place and stead of the named official.

Section 3. Number and Term. The at-large Directors shall be elected at the annual meeting of the Corporation to serve a three year term, or until their successors are duly elected and qualified. No person shall be eligible to be elected a Director for more than three consecutive terms. Nominations for Director and member shall be made by the Governance Committee and presented at the annual meeting of the Corporation. At the initial meeting of the Corporation, the at-large directors shall be divided into classes for terms of one, two and three years; thereafter all elections shall be for three year terms except for the filling of vacancies as provided in Section 4.

Section 4. Vacancies on the Board. Vacancies on the board of directors occurring during the year for any reason, including an increase in the number of directors, shall be filled for the unexpired term by a majority vote of the remaining directors at any meeting called for that purpose.

Section 5. Resignation. Any director of the corporation may resign at any time by giving his resignation to the Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal of Directors. Any director may be removed, either with or without cause, at any meeting of board, notice of which shall have referred to the proposed action, by the vote of a majority of the directors currently serving; the total shall not include the director against whom that action is proposed.

Section 7. Meeting of Directors. There shall be a regular meeting of the board of directors scheduled monthly to make management decisions relating to the operations of the Corporation. Regular and special meetings of the board of directors shall be held at such times and at such places in New York or elsewhere as the board of directors or the Chairperson, or, in his or her absence, any Vice-Chair, may determine.

Section 8. Responsibility to Attend Meetings. Every Director is expected to attend three quarters of the regularly scheduled Board meetings and no member shall miss three consecutive meetings without approval of the Chair of the Board.

Section 9. Notice of Meetings of Board of Directors. Notice of each meeting of the board of directors, stating the time and place and purposes thereof, shall be given by the Chairman, Chief Executive Officer, the Secretary, or the Assistant Secretary, or by any member of the board to each member of the board not less than ten days before the meeting by mail, or not less than five days before the meeting by personal service of the notice or by electronic means. Meetings of the board of directors may also be held at any place and time without notice by unanimous consent of all the directors. The notice of any meeting of the board of directors may be waived by a director either before or after such meeting.

Section 10. Quorum. A quorum shall be required for the transaction of business and shall be five Directors. Unless otherwise provided, the vote of a majority of the directors present shall decide any question that may come before the meeting. A majority of the directors present at any meeting, although less than a quorum, may adjourn the same from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 11. Procedure. The order of business and all other matters of procedure at every meeting of directors may be determined by the presiding officer.

Section 12. Attendance by Telephonic Means. Any Director may attend and participate in any meeting of the Board, the Corporation, or a committee thereof by means of a conference telephone, videoconferencing or similar equipment which allows all persons participating in the meeting to hear each other at the same time and those attending the meeting

to witness all public proceedings of the corporation. Participation by such means shall constitute presence in person at such meeting.

Section 13. Annual Report. The directors shall present at the annual meeting of the corporation a balance sheet showing the financial and other affairs of such corporation during the preceding year prepared by the independent accountants retained by the Corporation. Such report shall be provided to the governing bodies of Chemung, Schuylers and Steuben Counties within ninety days of the end of the fiscal year.

Section 14. Compensation of Directors. No director of the corporation shall receive, directly or indirectly, salary, compensation or emolument from the corporation, either as a director or in any other capacity, except reasonable compensation for services actually rendered in effecting one or more of its corporate purposes.

Section 15. Conflicts of Interest and Ethics Policies. The Board shall develop and revise as appropriate, policies consistent with the Public Officers Law, the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009.

#### ARTICLE IV

##### COMMITTEES OF DIRECTORS

Section 1. The board of directors, by resolution or resolutions, may designate one or more committees, which to the extent provided in said resolution or resolutions, shall have and may exercise such powers as may be lawfully delegated by the board of directors.

Section 2. (Reserved)

Section 3. There shall be an Audit Committee of at least three Directors who shall oversee and review the audit prepared by the independent auditors and consider or recommend action on any item contained in the accompanying management letter. The members should have or be able to obtain basic understanding of governmental financial reporting and shall meet with the independent auditors at least once each year to discuss the financial statements of the corporation and review the recommendations of the auditors and the responses thereto. The Audit Committee shall adopt and periodically review policies to affect its responsibilities under this section.

Section 4. There shall be a Committee on Governance comprised of three Directors who shall have responsibility for the education and training of Directors; compliance with state law and regulations; oversee the Board's self-evaluation; keep the Board apprised of best management practices; update the corporation's governance principles, conflict of interest and ethics policies, and recommend when necessary changes to its policies and by-laws; it shall also act as the Nominating Committee for Board membership and membership and participation on the Audit Committee and other committees established by the Board.

## ARTICLE V OFFICERS

Section 1. Officers. The board of directors shall appoint or elect a Chief Executive Officer at the annual meeting of the Corporation; the person so named shall not be a member of the Board. The officers of the Board shall be a Chair, one or more Vice-Chairs, a Secretary, a Treasurer, and such other officers as it shall deem necessary; such additional officers to hold their offices for such terms and to exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

Section 2. Term of Office. Except for the Chief Executive Officer, the officers of the corporation specified above shall, unless otherwise determined by the directors, hold office for one year and until their successors are elected and have qualified. The Chief Executive shall serve at the pleasure of the Board. Any officer, however, may be removed at any time with or without cause by the affirmative vote of a majority of the board of directors. If the office of any officer becomes vacant, such vacancy shall be filled by the board of directors.

Section 3. Chief Executive. The chief executive shall have the general powers and duties of supervision and management of the corporation which usually pertain to his office, and shall perform all such other duties as are properly required of him by the board of directors.

Section 4. Chair and Vice-Chairs. The Chair, and in his or her absence, the Vice-Chairs shall preside at all meetings of the Board and the Corporation and shall have such other duties and exercise the powers as usually pertain to their offices or as are properly required by the board of directors.

Section 5. The Secretary and Assistant Secretaries. The Secretary shall issue notices of all meetings by law or these By-Laws. The Secretary shall attend all meetings of the board of directors and keep the minutes thereof. The Secretary shall affix the corporate seal to and sign such instruments as require the seal and the Secretary's signature and shall perform such other duties as usually pertain to office or as are properly required of the Secretary by the board of directors.

Section 6. The Treasurer and Assistant Treasurers. The Treasurer shall have the care and custody of all the moneys and securities of the corporation. The Treasurer shall cause to be entered in books of the corporation to be kept for that purpose full and accurate accounts of all moneys received by the Treasurer and paid by the Treasurer on account of the corporation. The Treasurer shall make and sign such reports, statements, and instruments as may be required of the Treasurer by law or the board of directors, and shall perform such other duties as usually pertain to the Treasurer's office or as are properly required of the Treasurer by the board of directors.

The Assistant Treasurers may, in the absence or disability of the Treasurer, or at the Treasurer's request, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as the board of directors shall prescribe.

Section 7. Officers Holding Two or More Offices. Any two of the above-mentioned offices, except that of Chief Executive Officer, may be held by the same person.

Section 8. Compensation of Officers. No officer of the corporation shall receive, directly or indirectly, any part of the income or earnings of the corporation nor any pecuniary profit from the operation of the corporation but each officer may receive reasonable compensation for services actually rendered in effecting one or more of the corporate purposes.

## ARTICLE VI

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

If a director or officer of the corporation is made a party to any civil or criminal action or proceeding in any matter arising from the performance by such director or officer of his or her duties for or on behalf of the corporation, then, to the fullest extent permitted by law, the

corporation, upon an affirmative vote of the board of directors, a quorum of directors being present at the time of the vote who are not parties to the action or proceeding, shall:

(a) Advance to such director or officer all sums found by the board, so voting, to be necessary and appropriate to enable the director or officer to conduct his or her defense, or appeal, in the action or proceeding; and

(b) Indemnify such director or officer for all sums paid by him or her in the way of judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred, in connection with the action or proceeding, or appeal therein, subject to the proper application of credit for any sums advanced to the director or officer pursuant to the previous subsection.

This provision shall satisfy the requirements of the Public Authority Accountability Act of 2005 as amended by the Public Authorities Reform Act of 2009.

## ARTICLE VII

### FINANCES

Section 1.     Finances. The funds of the corporation shall be deposited in its name with such bank or banks, trust company or trust companies as the board of directors may from time to time designate. All checks, notes, drafts and other negotiable instruments of the corporation shall be signed by such officer or officers, agent or agents, employee or employees as the board of directors from time to time by resolution may designate. No officers, agents or employees of the corporation, alone or with others, shall have power to make any checks, notes, drafts or other negotiable instruments in the name of the corporation or to bind the corporation thereby, except as herein provided.

Section 2.     Fiscal Year. The fiscal year of the corporation shall be the calendar year unless otherwise provided by the board of directors.



ARTICLE VIII  
CORPORATE SEAL

Form of Seal. The seal of the corporation shall be circular in form with the words “Southern Tier Network, Inc.” in the outer circle and the words “Corporate Seal - 2011” in the inner circle. The seal on any corporate obligations for the payment of money may be a facsimile, engraved or printed.

ARTICLE IX  
AMENDMENTS

These By-Laws may be added to, amended, altered, or repealed at any meeting of Directors, by the affirmative vote of two-thirds of the board of directors. Notice of any amendment and the substance thereof shall be given to the Directors at least twenty days in advance of the meeting at which the proposed changes are to be considered.