

OFFERING MEMORANDUM



**West Shore Bank
Corporation Dividend
Reinvestment and Stock
Purchase Plan**

COMMON STOCK
(no par value)

*Authorization to Sell Up to \$1,000,000
of Common Stock in a 12-Month Period*

The West Shore Bank Dividend Reinvestment and Stock Purchase Plan (the "Plan"), of West Shore Bank Corporation, a Michigan bank holding company (the "Corporation" or the "Plan Administrator"), provides holders of the Corporation's common stock, with a simple and convenient method for purchasing additional shares of Common Stock using cash dividends and optional cash investments without paying any brokerage commissions or service charges. Participants in the Plan may acquire shares of Common Stock pursuant to the Plan as detailed in the provided Offering Memorandum.

Plan Information:

**West Shore Bank Corporation
Attn: Dividend Reinvestment and Stock Purchase Plan
201 W. Loomis St.
Ludington, MI 49431
231-845-3500**

WEST SHORE BANK CORPORATION
DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN
OFFERING MEMORANDUM

January 27, 2014

West Shore Bank Corporation (the "Corporation") is offering qualified shareholders of the Corporation the opportunity to purchase additional shares of the Corporation's common stock ("Common Stock"). The West Shore Bank Corporation Dividend Reinvestment and Stock Purchase Plan (the "Plan") offers qualified shareholders a simple and convenient method for purchasing additional shares of Common Stock using cash dividends and optional cash investments without paying any brokerage commissions or service charges. The Plan is only available to shareholders who are registered holders of the Corporation's common stock on the books of the Corporation ("Shareholders"). Under the Plan, beneficial owners of Common Stock whose shares are registered in street or nominee names are *not* considered Shareholders, such beneficial owners may become registered holders by having their shares reissued in their individual name on the books of the Corporation.

Any Shareholder may elect to participate in the Plan by returning the enclosed Authorization Card or Stock Purchase Form and therefore become a "Participant." The Corporation is authorized to sell up to \$1,000,000 of Common Stock in any 12-month period under the Plan. The price paid for shares of Common Stock will be calculated as described in this Offering Memorandum. The Plan relies upon an exemption from registration under Rule 504 of Regulation D, in no instance may the Corporation sell more than \$1,000,000 of Common Stock in any 12-month period.

This Offering Memorandum relates to Common Stock of the Corporation offered for purchase under the Plan. For a discussion of investment considerations associated with the purchase of the Common Stock offered hereby, see "Risk Factors." It is suggested that this Offering Memorandum be retained for future reference.

No person has been authorized to give any information or to make any representation in connection with this offering other than those contained or incorporated by reference in this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by the Corporation. Neither the delivery of this Offering Memorandum nor any sale made pursuant to the Plan shall under any circumstances create an implication that there has been no change in the facts set forth herein or the affairs of the Corporation since the date of this Offering Memorandum.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SHARES OF COMMON STOCK OFFERED HEREBY ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF A BANK OR SAVINGS ASSOCIATION AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. INVESTMENT IN THE COMMON STOCK INVOLVES INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL. IN ADDITION, DIVIDENDS MAY GO UP, DOWN OR CEASE.

OFFERING MEMORANDUM

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Summary of the Plan

The following summary does not purport to be complete and is qualified in its entirety by the more detailed information in the Plan and appearing elsewhere herein. Certain terms in this summary are defined elsewhere in this Offering Memorandum.

The West Shore Bank Dividend Reinvestment and Stock Purchase Plan (the "Plan") (a copy of which has been attached as Exhibit A to this Offering Memorandum) offers qualified shareholders a simple and convenient method for purchasing additional shares of Common Stock using cash dividends and optional cash investments without paying any brokerage commissions or service charges. The Plan is only available to shareholders who are registered holders of the Corporation's common stock on the books of the Corporation ("Shareholders"). Under the Plan, beneficial owners of Common Stock whose shares are registered in street or nominee names are *not* considered Shareholders; such beneficial owners may become registered holders by having their shares reissued in their individual name on the books of the Corporation.

Any Shareholder may elect to participate in the Plan by returning the enclosed Authorization Card or Stock Purchase Form and therefore become a "Participant." The Corporation is authorized to sell up to \$1,000,000 of Common Stock in any 12-month period under the Plan. The price paid for shares of Common Stock will be calculated as described in this Offering Memorandum. The Plan relies upon an exemption from registration under Rule 504 of Regulation D, in no instance may the Corporation sell more than \$1,000,000 of Common Stock in any 12-month period.

The Corporation is a registered bank holding company organized and existing under the laws of the State of Michigan. The Corporation serves as the holding company for West Shore Bank, a Michigan banking corporation. Our principal executive office is located at 201 W. Loomis St, Ludington, MI 49431, and our telephone number is (231) 845-3500. As used in this Offering Memorandum, unless the context requires otherwise, "we," "us," and "our" means the Corporation in its capacity as issuer of Common Stock.

If you are a Shareholder as described herein, you may participate in the Plan and become a Participant. The Plan provides you with a convenient method of purchasing shares of Common Stock without paying any brokerage commissions or service charges. The shares purchased under the Plan will be authorized but unissued shares of Common Stock or shares of Common Stock purchased by the Corporation on the open market. The price paid for shares of Common Stock will be calculated as described herein (see Question 9). The Plan does not represent a change in the Corporation's dividend policy or a guarantee of future dividends, which will continue to depend on earnings, financial and regulatory requirements, and other factors.

Participants in the Plan may acquire shares of Common Stock pursuant to the Plan by returning the enclosed Authorization Card and/or Stock Purchase Form and electing to participate via the following options:

(a) reinvesting all of their cash dividends on Common Stock that is held in their name; or

(b) reinvesting any portion of their cash dividends (in 25% increments) and continuing to receive a check for the uncommitted portion on Common Stock that is held in their name; or

(c) making optional cash investments to the Plan on a periodic basis of not less than \$125 nor more than \$1,000, quarterly (four times a year).

The price paid for shares of Common Stock will be calculated as described herein. The Corporation, however, reserves the right to modify the pricing or any other provision of the Plan at any time. The Plan does not represent a change in the Corporation's dividend policy or a guarantee of future dividends, which will depend on earnings, financial and regulatory requirements and other factors.

West Shore Bank's Use of Proceeds

We propose to use the net proceeds from the sale of any new-issue shares of Common Stock pursuant to the Plan, when and as received, for general corporate purposes and working capital. We have no basis for estimating precisely either the number of shares of Common Stock that ultimately may be sold pursuant to the Plan or the prices at which such shares will be sold.

Frequently Asked Questions

The following questions and answers describe the provisions of the Plan under which we will sell, and you may purchase, shares of Common Stock through the automatic reinvestment of cash dividends paid on shares of Common Stock and pursuant to the optional cash investment option of the Plan.

1. What is the purpose of the Plan?

The purpose of the Plan is to provide you with a simple and convenient method of investing in shares of Common Stock by reinvesting all or a portion of your cash dividends (in 25% increments) on Common Stock; or by you paying additional periodic optional cash investments of not less than \$125 nor more than \$1,000 quarterly (four times a year) to the Plan. The shares of Common Stock acquired under the Plan will be purchased by the Plan Administrator from authorized but unissued shares held by the Corporation or shares of Common Stock purchased by the Corporation on the open market (see Question 7). We will use the net proceeds from the sale of any newly issued Common Stock for general corporate purposes and working capital. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, nor is the Plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended.

You pay no brokerage commissions or service charges in connection with purchases of Common Stock under the Plan (see Question 3). The purchase of fractions of shares, as well as full shares, of Common Stock is permitted and dividends on fractions of shares will be used to purchase additional shares. The Plan avoids the necessity of safekeeping your certificates for shares of Common Stock credited to your account under the Plan. Statements of account will be issued to simplify record keeping.

2. Who administers the Plan?

The Corporation as Plan Administrator is responsible for administering the Plan. The Plan Administrator administers the Plan, keeps records, sends statements of account activity and performs other duties related to the Plan. Shares of Common Stock purchased under the Plan and held by the Plan Administrator will be registered in its name or the name of its nominee as Plan Administrator. In the event that the Plan Administrator should cease to act as agent for any reason, we will make other arrangements as we deem appropriate for the administration of the Plan.

All correspondence regarding the Plan, including Authorization Cards and Stock Purchase Forms, should be addressed to:

West Shore Bank Corporation
Attention: Debra L. McKay
201 W. Loomis St,
Ludington, MI 49431

Telephone inquiries may be made to the Plan Administrator at (231) 845-3500.

3. Are there out of pocket expenses?

There are no costs in connection with transactions under the Plan. Under the Plan, we sell authorized but unissued shares of Common Stock directly to the Plan Administrator or purchase shares of Common Stock on the open market (see Question 9); consequently, you incur no cost other than the purchase price. Any service charges, such as the Plan Administrator's fee, or brokerage commissions (if any) are always paid by the Corporation.

4. Who is eligible to participate?

If you are a registered holder of Common Stock, you are eligible to participate. If you are a beneficial owner of Common Stock whose shares are registered in street or nominee name, you are not eligible to participate. The Plan Administrator may amend these eligibility rules, and the other provisions of the Plan, from time-to-time in its sole discretion.

5. How do I enroll in the Plan?

You may enroll in the Plan at any time by completing an Authorization Card or Stock Purchase Form and returning it to the Plan Administrator in the manner described in Question 2. Authorization Cards and Stock Purchase Forms may be obtained from the Plan Administrator. Once you enroll in the Plan, you need not submit a new Authorization Card or Stock Purchase Form unless a change in the type of participation is desired. Such a change would include, for instance, a decision to make or stop automatic optional periodic cash payments to the Plan (see Question 7).

Reinvestment of dividends will start with the next dividend payment after receipt of the Authorization Card, provided it is received by the Plan Administrator prior to the record date for that dividend; otherwise, it may be necessary to delay reinvestment until the next dividend payment date.

Cash investments made with additional optional cash investments from participants of not less than \$125 nor more than \$1,000 quarterly (four times a year) will be invested in the following manner: (i) if the Stock Purchase Form is received (i) by December 31, the optional cash investment will be processed on an "Investment Date" (which is defined in the Plan) between January 1 and March 1 of the following calendar year; or (ii) if the Stock Purchase Form is received by June 30, the optional cash investment will be processed on an Investment Date between July 1 and August 29 of that calendar year (for further clarification see Question 7).

6. What are my options under the Plan?

The Plan provides for several different options of investment. The enclosed Authorization Card and Stock Purchase Form provide for the purchase of shares of Common Stock through the following investment options:

A. "Full Dividend Reinvestment" directs us to pay to the Plan Administrator all of your cash dividends on all of the shares of Common Stock then or subsequently registered in your name;

B. "Partial Dividend Reinvestment" directs us to pay to the Plan Administrator your cash dividends on that number of shares of Common Stock designated in the appropriate space on the

Authorization Card and permits you to continue to receive cash dividends on the balance of the shares of Common Stock registered in your name; and

C. "Optional Cash Investment" permits you to make additional optional periodic cash investments to the Plan of not less than \$125 nor more than \$1,000 quarterly for the purchase of shares of Common Stock. Payment may be made by check, money order or by automatic bank withdrawal from your United States bank account. The Corporation will apply any optional cash investment received with Stock Purchase Form (see Question 7) to the purchase of shares of Common Stock under the Plan.

Cash dividends on shares of Common Stock credited to your Plan account will be reinvested in accordance with the Plan, unless you direct otherwise.

7. How does the Plan work?

a. Source of Shares

The source of the shares of Common Stock to be purchased under the Plan shall be authorized but unissued shares purchased directly from us by the Plan Administrator or authorized and issued shares purchased by the Plan Administrator on the open market.

b. Dividend Reinvestment

You may reinvest dividends in shares of Common Stock by instructing the Corporation on an Authorization Form to reinvest dividends paid on your shares of Common Stock. The reinvestment of dividends will occur following each dividend payment date. On each dividend payment date, your full or partial cash dividend will be remitted to the Plan Administrator. The Plan Administrator will then reinvest that dividend, as well as the full cash dividend on shares of Common Stock credited to your Plan account, in authorized but unissued shares of Common Stock purchased directly from us by the Plan Administrator or authorized and issued shares of Common Stock purchased by the Plan Administrator on the open market and will credit whole and fractional shares to your Plan account (computed to 5 decimal places). A fractional share of Common Stock will earn a proportionate share of future dividends. Such purchases will be made by the Plan Administrator promptly, except where temporary curtailment or suspension of purchases is necessary to comply with applicable provisions of federal or state laws.

c. Optional Cash Investment

You may invest in shares of Common Stock by making optional cash investments to the Plan and instructing the Corporation on a Stock Purchase Form to purchase shares of Common Stock. Participants in the Plan have no obligation to make any optional cash investment, and optional cash investments may be made at any time within the sixty (60) days following December 31, March 31, June 30 or September 30 of each year, as determined by the Plan Administrator. The amount of each optional investment may vary, subject to the minimum quarterly investment amount of not less than \$125 and maximum quarterly investment amount of not more than \$1,000. Optional cash investments may be made by check or money order or by automatic bank withdrawal. If all or part of your optional cash investment is not enough to purchase a whole share of Common Stock, a fractional share (computed to 5 decimal places) will be credited to your Plan account and will earn a proportionate share of future dividends.

An optional cash investment may be made when enrolling by checking the appropriate box on the Stock Purchase Form and either enclosing a check or money order with the Stock Purchase Form or completing the section of the Stock Purchase Form titled "Automatic Bank Withdrawal" with accurate information for your United States bank account, including an account with West Shore Bank. Thereafter, you may make an optional cash investment by submitting another Stock Purchase Form in the manner described in Question 10 and either including a check or money order with the Stock Purchase Form or completing the section of the Stock Purchase Form titled "Automatic Bank Withdrawal" with accurate information for your United States bank account. Checks and money orders must be in United States dollars and should be made payable to the Corporation. If you elect to make optional cash investments by automatic bank withdrawal, the Corporation will process such investment within sixty (60) days following December 31, March 31, June 30 or September 30 of each year as determined by the Corporation and will continue to make such investment until you notify the Corporation to cease such automatic bank withdrawals by giving notice to the Corporation in the manner described in Question 10.

Optional cash investments from Participants will be applied by the Plan Administrator to the purchase of shares of Common Stock, if timely received, within sixty (60) days following December 31, March 31, June 30 or September 30 of each year as determined by the Corporation. An optional cash investment is timely received by the Corporation, by submitting a properly completed Stock Purchase Form, by (i) December 31, for an Investment Date between January 1 and February 28 of the following calendar year; (ii) March 31 for an Investment Date between April 1 and May 31; (iii) June 30 for the an Investment Date between July 1 and August 30; or (iv) September 30 for an Investment Date between October 1 and November 29 of that calendar year. If the optional cash investment is not timely received, the optional cash investment will be processed on an Investment Date in the next quarterly period. For instance, if one Stock Purchase Form from one Shareholder was received by the Corporation on February 20th and if a different Stock Purchase Form from another Shareholder was received by the Corporation on March 15th, both optional cash investments would be processed within April 1 and May 31 of that calendar year.

8. What happens if I cease to become a stockholder of record?

If you dispose of all shares of Common Stock registered in your name, the Plan Administrator will continue to reinvest the dividends on the shares credited to your Plan account until otherwise notified. Optional cash investments will not be processed following the Corporation's receipt of notice that you are no longer a stockholder of the Corporation. See Question 13 regarding your withdrawal from the Plan.

9. At what price will the shares be purchased?

The per-share purchase price of shares of Common Stock purchased pursuant to the Plan will be:

(a) for shares of Common Stock purchased from us, such value determined by a valuation conducted by an independent valuation expert conducted as of the end of the immediately preceding calendar quarter; or

(b) if the Common Stock is purchased on the open market, such value as the Corporation, in good faith, shall negotiate with the potential seller. In making the determination to purchase, the

Corporation will consider such factors as the Corporation in its sole and absolute discretion deems relevant.

10. How do I change my investment decision?

You may change your investment options by submitting a new Authorization Card or Stock Purchase Form to the Plan Administrator at the address set forth in Question 2. For the dividend reinvestment portion of the Plan, any amendment to a Participant's investment option received by the Plan Administrator at least fifteen (15) days prior to any dividend payment date shall be effective for the Investment Date associated with that dividend payment.

Any amendment to a Participant's investment option for the optional cash investment received by the Plan Administrator prior to December 31 of any calendar year, shall be effective for an Investment Date between January 1 and February 28 of the following calendar year; amendments received prior to March 31 shall be effective for an Investment Date between April 1 and May 31; amendments received prior to June 30 shall be effective for the an Investment Date between July 1 and August 30; and amendments received prior to September 30 shall be effective for an Investment Date between October 1 and November 29 of that calendar year. You may also make additional optional cash investments by submitting a Stock Purchase Form to the Plan Administrator in the manner set forth in Question 2.

11. Are stock certificates issued?

Certificates for shares of Common Stock purchased for you will be registered in the name of the Plan Administrator or its nominee and will not be issued in your name while you are enrolled in the Plan, but may be issued to you with respect to whole shares of Common Stock if you withdraw from participation in the Plan and request a distribution of your Plan account (see Question 15). This protects against loss, theft or destruction of stock certificates. Purchases credited to your Plan account will be confirmed by the Plan Administrator as soon as practicable after such purchases are completed.

You may, if you wish to do so, deposit certificates for Common Stock now or hereafter registered in your name for credit as accrued shares under the Plan. Such certificates will be transferred to the Plan Administrator or its nominee as your agent. There is no charge for this service. Because you will bear the risk of loss in sending the certificates to the Plan Administrator, it is recommended that they be sent by registered mail, return receipt requested, and properly insured. The certificates need not be endorsed.

12. How do I vote my shares under the Plan?

For each meeting of stockholders, you will receive proxy material that will enable you to vote both the shares of Common Stock credited to your Plan account and the shares of Common Stock that you own outside of the Plan.

13. How and when may I withdraw from the Plan?

You may withdraw from the Plan at any time by giving written notice to the Plan Administrator.

A request to withdraw from the dividend reinvestment feature of the Plan will be effective as soon as possible. Any request to withdraw received by the Plan Administrator at least fifteen (15) days prior to any dividend payment date shall be effective for the Investment Date associated with that dividend payment. If the request is received later than the deadlines in the previous sentence, you will continue to be enrolled in the dividend reinvestment feature until the next scheduled dividend, if any, has been paid in the following six month period, and the request to withdraw will be processed as promptly as possible following the date that the dividend is paid or it is determined that no dividend will be paid.

A request to withdraw from the optional cash investment feature of the Plan will be effective as soon as possible. No investment shall be made on your behalf; provided the request is received by the Plan Administrator: (i) December 31, for an Investment Date between January 1 and February 28 of the following calendar year; (ii) March 31 for an Investment Date between April 1 and May 31; (iii) June 30 for the an Investment Date between July 1 and August 30; or (iv) September 30 for an Investment Date between October 1 and November 29 of that calendar year. If the request is received later than the deadlines in the previous sentence, the next scheduled automatic bank withdrawal, if any, will be processed, and the request to withdraw will be processed as promptly as possible following the next Investment Date.

Your request to withdraw shall not constitute a request that the Corporation distribute to you your Plan account. If you have withdrawn from Plan participation, you may make a written request to the Plan Administrator at the address in Question 2, or as otherwise directed by the Plan Administrator. As soon as practicable following receipt of your distribution request or if no such written request for a distribution has been received by the Plan Administrator by the one year anniversary of your withdrawal, the Plan Administrator will send you, at no charge, a certificate for the whole shares of Common Stock in your Plan account and a cash payment will be made for any fraction of a share in your Plan account.

14. What are the tax consequences of the Plan?

(a) You are advised to consult your own tax advisors with respect to the tax consequences of your participation in the Plan. The reinvestment of cash dividends or making optional cash investments to the Plan does not relieve you of any income tax payable on such income. In general, we believe that stockholders who participate in the Plan will have the same Federal income tax consequences, with respect to dividends payable to them, as any other holder of record of Common Stock. You will be treated for Federal income tax purposes as having received on each dividend payment date, a dividend equal to the full amount of the cash dividend payable with respect to your shares, even though you do not actually receive that amount in cash but, instead, it is applied to the purchase of additional shares of Common Stock for your account under the Plan.

(b) Any brokerage or service charges paid by us on your behalf should not be subject to income taxes when the Plan Administrator purchases shares of Common Stock on behalf of the Plan.

(c) You will not realize any taxable income upon receipt of certificates for whole shares of Common Stock acquired through the Plan. However, if you receive a cash payment for a fractional share credited to your Plan account, you may have a gain or loss recognized with respect to such fraction. Gain or loss may be recognized by you when whole shares of Common Stock are sold by you after withdrawal from the Plan. The amount of such gain or loss will be the difference between the amount you receive for such shares, and the purchase cost thereof. Such gain or loss

will be capital in character if such share is a capital asset in your hands. You should retain the Plan Administrator's statements of your Plan account to determine the tax basis of shares of Common Stock acquired through the Plan.

15. Can the Corporation suspend or modify the Plan?

We reserve the right to interpret and regulate the Plan as we deem desirable or necessary. Notwithstanding any other provision of the Plan, our Board of Directors (or any designated committee thereof) reserves the right to suspend, modify or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice your interests. It is important to understand that purchases under the Plan are limited to \$1,000,000 per 12 month period and the Corporation shall be required to suspend the Plan in the event that the total purchases under the Plan would exceed \$1,000,000 in any 12 month period. Notice of any such suspension, modification or termination will be sent to you. The terms and conditions of the Plan and its operation shall be governed by the laws of the state of Michigan.

16. What are the Corporation's responsibilities?

Neither we nor the Plan Administrator shall be liable in administering the Plan for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims of liability: (i) arising out of failure to terminate your Plan account upon your death prior to receipt of notice in writing of such death; (ii) with respect to the prices at which shares of Common Stock are purchased for your Plan account or the time when such purchases are made (provided, however, that nothing herein shall be deemed to constitute a waiver of any rights that you might have under the Securities Exchange Act of 1934 or other applicable federal and state securities laws); and (iii) for any fluctuations in the market price after purchase of shares of Common Stock.

17. Are there any restrictions on the resale of my shares?

The shares of Common Stock purchased under the Plan have not been registered under the Securities Act of 1933 or other securities laws, and will be sold without any such registration in reliance upon the exemption from registration afforded by Rule 504 and Regulation D promulgated under the Securities Act of 1933. Accordingly, the Common Stock is being offered and sold only to certain current shareholders.

Each purchaser of the shares of Common Stock under the Plan shall not resell or otherwise transfer any Common Stock, except pursuant to an effective registration statement under the Securities Act of 1933; or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act of 1933.

Each certificate representing shares of Common Stock sold pursuant to the Plan will bear a legend substantially to the following effect:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. THE SHARES MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE REGISTRATION

Risk Factors

Investing in our Common Stock involves risk. A prospective investor should, before investing, carefully consider the following risk factors. You will not know the purchase price of the Common Stock at the time you authorize an investment

You will not know the price of our Common Stock at the time you authorize an investment under the Plan to occur at a future date, such as a future dividend payment date. The price of our Common Stock may fluctuate between the time you authorize an investment under the Plan and the time of actual purchase of the Common Stock. As a result, you may purchase Common Stock at a price higher than the price you anticipated when you first authorized the investment.

Absence of a Public Market and Limited Liquidity

There is no public trading market for the Common Stock and an active trading market is not expected to develop. Consequently, you may not be able to sell your Common Stock. Moreover, the Common Stock will not be transferable unless it is subsequently registered under the Securities Act of 1933 and applicable state "blue sky" laws, or unless exemptions from registration under the Securities Act of 1933 and such state laws are then available (see Question 17). You should consider carefully the limited liquidity of this investment before participating in the Plan.

We May in the Future Issue Additional Shares of Common Stock

The Board of Directors of the Corporation will continue to have authority to issue additional shares of Common Stock from time to time. Any future issuances of Common Stock may result in dilution of the value of the shares you acquire pursuant to the Plan.

No Assurance of Dividends

As a holding company, our cash flow typically comes from dividends that West Shore Bank pays to us. Statutory provisions restrict the amount of dividends West Shore Bank can pay to us. In addition, if West Shore Bank were to liquidate, its creditors would be entitled to receive distributions from assets to satisfy their claims against it before we, as a holder of an equity interest in West Shore Bank, would be entitled to receive any of such assets. Accordingly, our ability to pay dividends is substantially dependent on the performance and earnings of West Shore Bank. We are also subject to regulatory limitations of the Board of Governors of the Federal Reserve on payment of dividends by bank holding companies in some circumstances.

Moreover, the amount of future dividends is at the discretion of our Board of Directors and principally depends upon our earnings, our financial condition, the capital requirements of West Shore Bank and other factors. There can be no assurance that we will pay dividends on shares of our Common Stock, and if paid, no assurance regarding the timing and amount of such dividends.

Regulatory Environment

The Corporation and West Shore Bank are subject to extensive state and federal regulation and supervision. Legislation and regulations have had and will continue to have significant impact on our business. Changes in regulations or government policies could increase our costs of doing business and could adversely affect our results of operations. We are subject to supervision and

regulation by the Michigan Department of Insurance and Financial Services and the Federal Reserve System. This supervision and regulation is primarily for the protection of depositors, investors and the public and is not for the protection of stockholders. We are also regulated by the Federal Deposit Insurance Corporation (the "FDIC"), which regulation is intended primarily for the protection of the FDIC insurance funds and depositors. These various banking regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities. Regulations have been implemented in the past that have increased capital requirements, increased insurance premiums and resulted in increased administrative, professional and compensation expenses, and other changes may be made in the future. Any change in the regulatory structure or the applicable statutes or regulations could have a material adverse impact on us. Additional legislation and regulations may be enacted or adopted in the future which could significantly affect the powers, authority and operations of our competitors, which in turn could have a material adverse effect on our operations.

Interest Rate Risks and Economic Conditions

The results of operations for financial institutions, including West Shore Bank, may be materially and adversely affected by changes in prevailing economic conditions, such as declines in real estate market values, rapid changes in interest rates, and the monetary and fiscal policies of the federal government. Our profitability is in large part a function of the spread between the interest rates earned on investments and loans and the interest rates paid on deposits and other interest-bearing liabilities. Over the last few years, interest rate spreads have generally narrowed due to changing market conditions and competitive pricing pressure, and there can be no assurance that such factors will not continue to exert such pressure or that higher interest rate spreads will return. Like most banking institutions, our net interest spread and margin will be affected by general economic conditions and other factors that influence market interest rates, most of which are outside of our control, and our ability to respond to changes in such rates. At any given time, our assets and liabilities could be such that they are affected differently by a given change in interest rates. As a result, an increase or decrease in rates, the length of loan terms or the mix of adjustable rate loans in our portfolio could have a positive or negative effect on the Corporation's net income or loss, capital and liquidity.

Competition

The banking business in our market area has become increasingly competitive over the past several years, and the level of competition facing us may increase further. We believe we can compete effectively with the existing banks, credit unions and savings institutions through an active business development plan and by offering local access, competitive products and services and more responsive customer service. Recent legislation, court decisions and administrative actions have expanded the areas of business activities in which banks, credit unions and other financial institutions can participate. To the extent that others engage in these activities, we expect the level of competition to increase. Some of our non-bank competitors are not subject to a similar degree of regulation and supervision that we are. Most of the banks, credit unions and other financial institutions with which we compete have capital resources and legal loan limits substantially in excess of those available to us. Some of these institutions can offer certain services to their customers that we presently do not offer directly. To the extent that our competitors expand their operations in our market area, we could be adversely affected.

Geographic Concentration

A substantial majority of our business is with companies and individuals in Mason, Manistee and Oceana Counties, Michigan. Any decline in the economy of these areas, the state of Michigan or northwest lower Michigan generally, could adversely affect the Corporation.

Allowance for Loan Losses

We monitor and review loan quality regularly. The determination of the overall allowance for loan losses and the amount of additions to the allowance that are charged to earnings on a periodic basis is to a large extent an exercise of management judgment, based on a variety of factors, including assessment of the credit risk of the portfolio, delinquent loans, evaluation of current economic conditions in the market area, actual charge-offs during the year and historical loss experience. While we believe that the current allowance for loan losses is adequate to provide for estimated probable credit losses inherent in our loan portfolio, there is no assurance that the provision is sufficient. The effects on borrowers of a weakening economy and other factors could render our allowance for loan losses insufficient and result in substantial charges to earnings to maintain an adequate allowance.

Technological Changes

The banking industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. In part, because of these changes, West Shore Bank outsources some of its back office operations, specifically electronic data processing and check processing operations, to one or more companies that have the capability of providing the current generation of technology driven products and services required by West Shore Bank. In addition to better serving its customers, West Shore Bank's use of such service providers enables West Shore Bank to reduce its initial capital expenditures. Our future success will depend in part on our ability to negotiate favorable contracts with these service providers and, when appropriate, bring certain back office functions into West Shore Bank when it would be more cost effective to do so and/or enable West Shore Bank to provide better service to its customers.

Special Note Regarding Forward Looking Statements

This Offering Memorandum may contain certain forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Corporation intends such forward looking statements to be covered by the safe harbor provisions for forward looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of these safe harbor provisions. Forward looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Corporation, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions. The Corporation's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations and future prospects of the Corporation and its subsidiary are discussed in this Offering Memorandum. Forward looking statements contained herein speak only as of the date of this Offering Memorandum. Unless required by law, we undertake no obligation to update publicly or revise any forward looking statements to reflect new information or future events or otherwise.

Exhibit A

WEST SHORE BANK CORPORATION

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

ARTICLE I – PURPOSE

Effective January 21, 2014, West Shore Bank Corporation has adopted the West Shore Bank Corporation Dividend Reinvestment and Stock Purchase Plan (the "Plan") to provide a simple, systematic and convenient method of acquiring shares of Common Stock of the Corporation, without payment of any brokerage commission, service charge or other expenses. Participants can also conduct easy recurring or periodic investments by automatic bank debit or by sending in a check.

The shares of Common Stock acquired under the Plan will be purchased from the Corporation or on the open market. The net proceeds received from the purchase of Common Stock from the Corporation will be added to the working capital of the Corporation and will be used for general corporate purposes.

ARTICLE II – DEFINITIONS AND CONSTRUCTION

2.1 Definitions. The following words and phrases shall, when used herein, have the following respective meanings unless the context clearly indicates otherwise:

(a) Account Name: means the name of the Participant's account under the Plan, which shall be the same as the name(s) in which certificates of the Participant were registered at the time he or she entered the Plan.

(b) Authorization Card: means the enrollment form used by a Shareholder to enroll in the Plan.

(c) Common Stock: means the common stock of the Corporation.

(d) Corporation: means West Shore Bank Corporation, a registered bank holding company organized and existing under the laws of the State of Michigan, or its successor(s).

(e) Effective Date: means January 21, 2014, the date on which the provisions of this Plan became effective.

(f) Investment Date: means (i) for the dividend reinvestment option in Article III: the dividend payment date; and (ii) for the optional cash investment in Article IV: a date within sixty (60) days following December 31, March 31, June 30 or September 30 of each year as determined by the Corporation.

(g) Participant: means any Shareholder who elects to participate in the Plan.

(h) Plan: means the West Shore Bank Corporation Dividend Reinvestment and Stock Purchase Plan.

(i) Plan Account: means the account maintained for a Participant to record the crediting of cash dividends, optional cash investments, shares of Common Stock, and adjustments relating thereto.

(j) Plan Administrator: means West Shore Bank Corporation and its agents chosen to administer the Plan.

(k) Shareholder: means any registered holder of the Corporation's Common Stock. Beneficial owners of Common Stock whose shares are registered in street or nominee names are **not** considered Shareholders for purposes of the Plan unless they become registered holders by having their shares reissued in their names on the books of the Corporation.

(l) Stock Purchase Form: means the form used by a Participant to purchase shares of Common Stock pursuant to the optional cash investment feature of the Plan.

ARTICLE III – PARTICIPATION BY DIVIDEND REINVESTMENT

3.1 Enrollment. Any Shareholder may enroll in the Plan's Dividend Reinvestment feature at any time on or after the Effective Date by completing an Authorization Card and returning it to the Plan Administrator. An Authorization Card shall be included in the Offering Memorandum to the Shareholder. Additional Authorization Cards may be obtained by writing the Plan Administrator at the Corporation's address.

3.2 Commencement. Reinvestment of dividends in Common Stock shall commence with the next dividend payment after receipt of the Authorization Card by the Plan Administrator, provided it is received by the Plan Administrator before the record date for that dividend; otherwise, reinvestment of dividends shall be delayed until the next dividend payment and held in an account as designated by the Corporation, such funds will not accrue interest.

3.3 Investment Options. The Authorization Card shall provide for the purchase of additional shares of Common Stock through the following investment options:

(a) Full Dividend Reinvestment. Full dividend reinvestment directs the Corporation to pay to the Plan Administrator all of the Participant's cash dividends on all of the shares of Common Stock then or subsequently registered in the Participant's name; or

(b) Partial Dividend Reinvestment. Partial dividend reinvestment directs the Corporation to pay to the Plan Administrator the Participant's cash dividends on that number of shares of Common Stock (in 25% increments) designated in the appropriate space of the Authorization Card (the "Partial Election Percentage") and permits the Participant to continue to receive cash dividends on the balance of the shares of Common Stock registered in the Participant's name.

In the event a Participant elects Partial Dividend Reinvestment, the Corporation shall invest the Partial Election Percentage of the dividend in the Plan in the name of the Participant and pay the remaining portion of the dividend (100% minus the Partial Election Percentage) in cash to the Participant. No new stock certificates shall be issued to the Participant until such participant withdraws from the Plan. In all cases, cash dividends on shares of Common Stock credited to a Participant's Plan Account shall be reinvested in accordance with the Plan.

3.4 Dividend Reinvestment. On each Investment Date a Participant's full or partial cash dividend shall be remitted by the Corporation to the Plan Administrator. The Plan Administrator shall reinvest that dividend, as well as the full cash dividend on shares of Common Stock credited to the Participant's Plan Account, in shares of Common Stock purchased directly from the Corporation or on the open market, and shall credit whole and fractional shares to the Participant's Plan Account (computed to 5 decimal places). A fractional share of Common Stock shall earn a proportionate share of future dividends. Such purchases shall be made by the Plan Administrator promptly (no later than within 30 days of the receipt), except where curtailment or suspension of purchases is necessary to comply with applicable provisions of federal or state laws to the extent that the Plan exceeds the authorized amount of issuances.

3.5 Amendment of Investment Option. A Participant may amend his or her investment option at any time by submitting a new Authorization Card to the Plan Administrator at the Corporation's address. Any amendment to a Participant's investment option received by the Plan Administrator at least fifteen (15) days prior to any dividend payment date shall be effective for the Investment Date associated with that dividend payment.

3.6 Withdrawal of Dividend Reinvestment Enrollment. A Participant may withdraw from the Plan's Dividend Reinvestment feature at any time by giving written notice to the Plan Administrator at the Corporation's address. If the request to withdraw is received by the Plan Administrator on or after the record date or dividend payment, any dividend paid on the Investment Date shall be invested for the Participant's Plan Account. The request shall be processed as promptly as possible by the Plan Administrator following such Investment Date.

A request to withdraw shall not constitute a request by the Participant that the Corporation distribute to the Participant his or her Plan Account. A Participant who has withdrawn from Plan participation may make a written request to the Plan Administrator at the Corporation's address for a distribution of his or her Plan Account. As soon as practicable following receipt of such request or if no such written request for a distribution has been received by the Plan Administrator by the one year anniversary of the Participant's withdrawal, the Plan Administrator shall send the Participant at no charge, a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

3.7 Disposition of all Shares Held Outside of the Plan. If a Participant disposes of all shares of Common Stock registered in the Participant's name, the Plan Administrator shall continue to reinvest the dividends on the shares credited to the Participant's Plan Account until otherwise notified.

3.8 Accrued Shares. A Participant in the Plan's Dividend Reinvestment feature may deposit certificates for Common Stock now or hereafter registered in the Participant's name for credit in his or her Plan Account as accrued shares under the Plan. Such certificates shall be transferred to the Plan Administrator or its agent as agent for the Participant. This service shall be provided at no charge to the Participant.

ARTICLE IV – PARTICIPATION BY OPTIONAL CASH INVESTMENT

4.1 Enrollment. Any Shareholder may enroll in the Plan's optional cash investment feature at any time on or after the Effective Date by completing either an Authorization Card or a Stock Purchase Form and returning it to the Plan Administrator. Authorization Cards and Stock Purchase Forms may be obtained by writing the Plan Administrator at the Corporation's address.

4.2 Investment Date. Optional cash investments will be applied by the Plan Administrator to the purchase of shares of Common Stock, if timely received, on the next Investment Date. An optional cash investment is timely received if it is received by the Plan Administrator, with a properly completed Authorization Form or Stock Purchase Form, by December 31, for any Investment Date between January 1 and February 28 of the following calendar year; March 31 for any Investment Date between April 1 and May 31; June 30 for the any Investment Date between July 1 and August 30; or September 30 for any Investment Date between October 1 and November 29 of that calendar year. Optional cash investments that are received by the Plan Administrator subsequent to that date will be applied on the next Investment Date.

4.3 Investment Options. The Authorization Card or Stock Purchase Form shall provide for the purchase of additional shares of Common Stock through the following investment options:

(a) Check or Money Order. A Participant may make an optional cash investment by enclosing a check or money order for the amount of the investment with an Authorization Form or Stock Purchase Form and returning it to the Plan Administrator. The check or money order must be made payable to the Corporation and drawn on a United States bank account. An investment by check or money order must be for not less than two hundred fifty dollars (\$125) nor more than two thousand dollars (\$1,000), quarterly.

(b) Automatic Bank Withdrawal. A Participant may make optional cash investment(s) by completing the section of the Authorization Card or a Stock Purchase Form titled "Automatic Bank Withdrawal" with accurate account and routing information for the Participant's United States bank account, including an account with West Shore Bank. Such form shall indicate whether the investment shall be a one-time automatic bank withdrawal or repeating periodic automatic bank withdrawals, and the amount to be withdrawn. If repeating periodic automatic bank withdrawals are selected, the same amount must be withdrawn each period. An investment by automatic bank withdrawal must be for not less than two hundred fifty dollars (\$125) nor more than two thousand dollars (\$1,000), quarterly.

4.4 Purchase of Common Stock. The Plan Administrator will invest amounts invested pursuant to this Article IV by purchasing shares of Common Stock directly from the Corporation or on the open market, and shall credit whole and fractional shares to the Participant's Plan Account (computed to 5 decimal places). A fractional share of Common Stock shall earn a proportionate share of future dividends. Such purchases shall be made no later than the next Investment Date, except where curtailment or suspension of purchases is necessary to comply with applicable provisions of federal or state laws to the extent the Plan exceeds the authorized amount of issuances.

4.5 Amendment of Investment Options. A Participant may amend his or her investment options, or make a new investment election pursuant to this Article IV, at any time, by submitting a new Authorization Card or Stock Purchase Form to the Plan Administrator at the Corporation's

address. Any amendment to a Participant's investment option received by the Plan Administrator prior to December 31, of any calendar year, shall be effective for an Investment Date between January 1 and February 28 of the following calendar year; prior to March 31 shall be effective for an Investment Date between April 1 and May 31; prior to June 30 shall be effective for the an Investment Date between July 1 and August 30; or prior to September 30 shall be effective for an Investment Date between October 1 and November 29 of that calendar year.

4.6 Withdrawal of Enrollment. A Participant may withdraw from the Plan's optional investment option at any time by giving written notice to the Plan Administrator at the Corporation's address. If the request to withdraw is received by the Plan Administrator by December 31 for any Investment Date between January 1 and February 28 of the following calendar year; March 31 for any Investment Date between April 1 and May 31; June 30 for any Investment Date between July 1 and August 30; or September 30 for any Investment Date between October 1 and November 29 of that calendar year, no automatic bank withdrawal will be processed on the next Investment Date. If the request is not so received, the Plan Administrator will process such next automatic bank withdrawal, and the withdrawal request will be processed as promptly as possible thereafter.

A request to withdraw shall not constitute a request by the Participant that the Corporation distribute to the Participant his or her Plan Account. A Participant who has withdrawn from Plan participation may make a written request to the Plan Administrator at the Corporation's address for a distribution of his or her Plan Account. As soon as practicable following receipt of such request or if no such written request for a distribution has been received by the Plan Administrator by the one year anniversary of the Participant's withdrawal, the Plan Administrator shall send the Participant at no charge, a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

4.7 Automatic Dividend Reinvestment. All shares purchased for the Participant pursuant to the Plan's optional investment feature shall be credited to the Participant's Plan Account and will automatically participate in, and be governed by, the terms and conditions, of the Plan's Dividend Reinvestment feature (as set forth in Article III above).

ARTICLE V – PLAN OPERATION

5.1 Per-Share Price of Common Stock. The per-share price of shares of Common Stock purchased under the Plan shall be determined as follows:

- (a) if the Common Stock is purchased from the Corporation, such value determined by a valuation conducted by an independent valuation expert conducted as of the end of the immediately preceding calendar quarter; or
- (b) if the Common Stock is purchased on the open market, such value as the Corporation, in good faith, shall negotiate with the potential seller. In making the determination to purchase, the Corporation will consider such factors as the Corporation in its sole and absolute discretion deems relevant.

5.2 Plan Limit. Shares purchased under the Plan will be authorized but unissued shares of Common Stock or shares of Common Stock purchased by the Corporation on the open market. The

Corporation is authorized to sell up to \$1,000,000 of Common Stock in any 12-month period under the Plan. In the event that the Common Stock purchased by Shareholders under the Plan would exceed \$1,000,000 in any 12 month period, no Shareholder will be allowed to purchase any Common Stock until the aggregate amount in the trailing 12 month period is less than \$1,000,000.

5.3 Commingling of Monies. In making purchases for Participant's Plan Accounts, the Plan Administrator may commingle the Participant's dividends and optional cash investments with those of others participating in the Plan. It is understood that any monies held under the Plan will not bear interest.

5.4 Issuance of Stock Certificates:

(a) Registration of Certificates. Certificates for shares of Common Stock purchased for a Participant shall be registered in the name of the Plan or its agent and, except as provided in (b) below, shall not be issued in the Participant's name while the Participant is enrolled in the Plan.

(b) Reissuance in Participant's Name. A Participant may elect to receive a distribution of whole shares of Common Stock under the Plan only if he or she withdraws from the Plan. Certificates for fractional shares of Common Stock shall not be issued under any circumstances.

5.5 Costs to Participants. The Participant shall incur no costs for purchases of Common Stock by the Plan Administrator other than the purchase price. Service charges, such as administration fees if the Plan should be administered by someone other than the Corporation, are the responsibility of the Corporation.

5.6 Reports to Participants:

(a) Purchase Reports. On a semi-annual basis, each Participant shall receive a statement of his or her Plan Account showing the amount invested for that semi-annual period, the purchase price and the number of shares of Common Stock purchased in each transaction, the total shares accumulated, and other relevant information for the year to date.

(b) Other Reports. Each Participant shall receive copies of the same communications sent to all other holders of shares of Common Stock, and (if necessary) Internal Revenue Service information (on Form 1099) for reporting dividend income received.

(c) Address. All notices, statements, and reports from the Plan Administrator to a Participant shall be addressed to the Participant at his or her last address of record with the Plan Administrator. The Participant agrees to notify the Plan Administrator promptly in writing of any change of address.

5.7 Termination of Participant's Plan Account. The Corporation may terminate a Participant's Plan Account at any time in its discretion by giving written notice to the Participant. As soon as practicable following termination, the Plan Administrator shall send the Participant a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

5.8 Termination of the Plan. In the event the Corporation should terminate the Plan, as soon as practicable following termination, the Plan Administrator shall send each Participant a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

5.9 Price of any Fraction of a Share. Whenever, pursuant to the terms of the Plan, a Participant is to receive cash for a fraction of a share of Common Stock, said cash payment shall be a proportionate fraction of the per-share price of a share of Common Stock that would be determined pursuant to Section 5.1 if the share of Common Stock were, instead, being purchased from the Corporation under the Plan.

ARTICLE VI – ADMINISTRATION

6.1 Appointment of Plan Administrator. The Plan shall be administered by the Plan Administrator which shall be the Corporation and its agents, chosen by the Corporation to administer the Plan.

6.2 Duties of Plan Administrator. The Plan Administrator shall administer the Plan, keep records, send statements of account activity and other required reports to Participants, and perform any other duties related to the Plan. Shares of Common Stock purchased under the Plan and held by the Plan Administrator shall be registered in its name or the name of its agent designated for that purpose, as agent for each Participant in the Plan.

6.3 Resignation of Plan Administrator. Should the Plan Administrator cease to act as agent for the Participants, the Corporation shall make other arrangements as it deems appropriate for the administration of the Plan.

6.4 Liability of the Corporation and the Plan Administrator. Neither the Corporation, the Plan Administrator, nor any agent employed by the Plan Administrator shall be liable in administering the Plan or any act done in good faith, or for any good faith omission to act, including, without limitation, any claims of liability:

- (a) arising out of failure to terminate the Participant's Plan Account upon such Participant's death prior to receipt of notice in writing of such death;
- (b) with respect to the prices at which shares of Common Stock are purchased for the Participant's Plan Account or the time when such purchases are made (provided, however that nothing herein shall be deemed to constitute a waiver of any rights that a Participant might have under the Securities Exchange Act of 1934 or applicable federal and state securities laws); and
- (c) for any fluctuations in the market price after purchase of shares of Common Stock.

ARTICLE VII – MISCELLANEOUS

7.1 Non-Guarantee of Profit. Nothing contained herein shall be construed as an assurance by the Corporation of a profit to the Participant or protection against loss on shares of the Common Stock purchased under the Plan.

7.2 Other Services. The Plan Administrator may charge the Participant for services performed at the request of a Participant and not provided for herein.

7.3 Pledging of Common Stock. Shares of Common Stock credited to the Participant's Plan Account under the Plan may not be pledged. A Participant who wishes to pledge such shares must withdraw from the Plan.

7.4 Voting of Shares. For each meeting of Shareholders, a Participant shall receive proxy material that will enable the Participant to vote both the shares of Common Stock registered in the Participant's name directly and/or whole shares of Common Stock credited to the Participant's Plan Account. Participants will not be permitted to vote fractional shares of Common Stock.

7.5 Income Tax. It is understood by the Participant that the reinvestment of dividends does not relieve the Participant of any income tax which may be payable. The Corporation shall not withhold taxes from dividends, unless the Internal Revenue Service directs the Corporation to withhold 20% of any dividend payment to specified Participants who under report dividend income. In such a situation, the amount withheld shall not be reinvested under the Plan.

7.6 Stock Dividends and Related Matters. Stock dividends in the form of Common Stock or stock splits distributed by the Corporation on shares of Common Stock held by the Plan Administrator for a Participant shall be credited to the Participant's Plan Account. Certificates for such stock dividends and stock splits distributed on shares of Common Stock not participating in the Plan and registered in the name of the Participant shall be mailed directly to the Participant. In the event of a subscription rights offering or a dividend in the form of a stock other than Common Stock, such rights or other stock shall be mailed directly to a Participant in the Plan in the same manner as to holders of Common Stock not participating in the Plan.

7.7 Suspension, Modification, or Termination of the Plan. Notwithstanding anything herein to the contrary, the Corporation reserves the right to interpret and regulate the Plan as it deems desirable or necessary. The Corporation reserves the right to suspend, modify or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of Participants. Notice of any such suspension, modification, or termination shall be sent to all Participants.

7.8 Governing Law. The terms and conditions of this Plan, the Authorization Card and the Stock Purchase Forms signed by the Participant (which are each deemed a part of this Plan), and the Plan's operation shall be governed by and construed in accordance with the laws of the state of Michigan.