

Report Of Organizational Actions Affecting Basis Of Securities

Part I Reporting Issuer

Issuer's name: **Chemung Financial Corporation**
Issuer's employer identification number (EIN) **16-1237038**
Name of contact for additional information **Thomas J. Whitaker**
Telephone No. of contact **(607) 737-3711**
Email address of contact **twhitaker@chemungcanal.com**
Number and street (or P.O. box if mail is not delivered to street address) of contact **One Chemung Canal Plaza, P.O. Box 1522**
City, town, or post office, state, and Zip code of contact **Elmira, New York 14902**
Date of action **April 8, 2011**
Classification and description **Common Stock**
CUSIP number **164024 10 1**
Ticker symbol **CHMG**

Part II Organizational Action

Effective April 8, 2011, Fort Orange Financial Corp. merged with and into Chemung Financial Corporation, with Chemung Financial Corporation as the surviving entity. A total of 3,771,425 shares of Fort Orange Financial Corp. were surrendered pursuant to the Agreement and Plan of Merger in exchange for a total of 1,009,942 (rounded and disregarding fractional shares) shares of Chemung Financial Corporation. The exchange was calculated as $3,771,425 \times .75 \times .3571$.

As a result of the merger described above, each former Fort Orange Financial Corp. shareholder who elected to exchange all or some of such shareholder's shares for shares in Chemung Financial Corporation pursuant to the Agreement and Plan of Merger will have a basis in the shares of Chemung Financial Corporation received equal to the basis they had in their surrendered shares.

In all cases, shareholders affected by this reorganization should consult with their own tax advisors before making any representations to the IRS or other taxing authorities.

The valuation of the share exchange was based on the negotiated agreement of the parties and the valuation of the shares of the parties as of October 14, 2010, the last trading day before the merger was announced.

The tax treatment of the shares involved in the merger is based upon the following Sections of the Internal revenue code, among others: 368(a)(1)(A); 358; 362(b)

The effective date of the merger is April 8, 2011.

This information is not being filed with the Internal Revenue Service. It is posted on this web site for information only and to comply with Section 6045B(e) of the Internal Revenue Code and Notice 2012-11