

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name FEATHER RIVER BANCORP INC		2 Issuer's employer identification number (EIN) 82-2183227	
3 Name of contact for additional information RICHARD BELSTOCK	4 Telephone No. of contact 530-283-7305	5 Email address of contact richard.belstock@PlumasBank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 35 SOUTH LINDAN AVENUE		7 City, town, or post office, state, and ZIP code of contact QUINCY, CA 95971	
8 Date of action 7/1/2021		9 Classification and description COMMON STOCK	
10 CUSIP number NA	11 Serial number(s) NA	12 Ticker symbol NA	13 Account number(s) NA

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On July 1, 2021 (the "Effective Date"), Feather River Bancorp Inc. ("Feather River") was merged with and into Plumas Bancorp ("Plumas"), with Plumas Bancorp as the surviving entity, pursuant to the terms and conditions in the Agreement and Plan of Reorganization (the "Merger Agreement"), dated March 10, 2021, by and between Plumas and Feather River.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► Pursuant to the Merger Agreement, each share of Feather River capital stock outstanding immediately prior to the Effective Date was cancelled and converted into the right to receive either 0.6138 shares of Plumas common stock or \$19.14 cash per share. In addition, cash was paid for any fractional share interests.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► For federal income tax purposes, the aggregate tax basis of the Plumas common shares received by Feather River shareholders as a result of the merger (excluding any fractional share interest deemed received and redeemed for cash) will be the same as the aggregate tax basis of the Feather River shares surrendered in exchange. A former Feather River shareholder must allocate the tax basis so calculated across the total number of the shareholder's new Plumas common shares received in the merger. By doing this allocation, a tax basis per share can be computed. To the extent that a Feather River shareholder received cash in lieu of a fractional Plumas common share, a portion of the total tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash. The holding period of any shares of Plumas common stock received by Feather River shareholders in the merger generally will include the holding period of the shares of Feather River common stock exchanged for such Plumas common stock.

Part II Organizational Action (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

The merger of Feather River into Plumas on July 1, 2021 qualified as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences to the former Feather River shareholders are determined under the Internal Revenue Code sections 354, 356, 358, 1001 and 1221.

18 Can any resulting loss be recognized? ▶ Generally Feather River shareholders will not recognize a loss pursuant to the Merger, except for shares exchanged solely for cash and cash received in lieu of a fractional share of Plumas common stock. If a Feather River shareholder received cash in lieu of a fractional share of Plumas common stock, the Feather River shareholder will be treated as having received a fractional share of Plumas common stock for cash in a redemption by Plumas. As a result, the Feather River shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the Feather River shareholder's basis in the fractional share of Plumas common stock as set forth on line 16 above. The gain or loss calculated on shares received for cash or cash received for fractional shares will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the Effective Date, the Feather River shareholder's holding period with respect to the fractional shares (including the holding period of the Feather River common stock surrendered) exceeds one year. Special rules apply to Feather River shareholders who received their Feather River common shares through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation, and such Feather River shareholders are instructed to consult their own tax advisors.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The merger became effective on July 1, 2021; therefore, the reportable tax year is 2021.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶

Date ▶ 12/15/21

Print your name ▶ Richard Belstock

Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054