

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

## Part I Reporting Issuer

1 Issuer's name  Plumas Bancorp		2 Issuer's employer identification number (EIN)  752987096	
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 S Lindan Avenue		7 City, town, or post office, state, and ZIP code of contact  Quincy	
8 Date of action  07/01/2025		9 Classification and description The securities subject to reporting include all shares of Plumas Bancorp ("Plumas") common stock issued in exchange for the outstanding common stock of Cornerstone Community Bancorp ("Cornerstone") as a result of the merger of Cornerstone with and into Plumas.	
10 CUSIP number  729273102	11 Serial number(s)  NA	12 Ticker symbol  PLBC	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, 2025 (the "Closing Date"), Plumas Bancorp (the "Company") completed its previously announced acquisition of Cornerstone Community Bancorp ("Cornerstone") pursuant to an Agreement and Plan of Merger and Reorganization, dated as of January 28, 2025, by and between the Company and Cornerstone (the "Merger Agreement"). Pursuant to the Merger Agreement, on the Closing Date, Cornerstone merged with and into the Company (the "Merger") with the Company continuing as the surviving corporation. Immediately following the Merger, Cornerstone's subsidiary, Cornerstone Community Bank merged with and into the Company's subsidiary, Plumas Bank with Plumas Bank as the surviving bank.
- 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 Cornerstone common stock outstanding immediately prior to the Effective Date was cancelled and converted into the right to receive 0.6608 shares of Plumas common stock and \$9.75 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 ►  
The aggregate tax basis of shares of Plumas common stock received (including any fractional shares deemed received and exchanged for cash) in exchange for shares of Cornerstone common stock pursuant to the merger will be equal to the aggregate tax basis of shares of Cornerstone common stock surrendered, reduced by the amount of cash received in exchange for your shares of Cornerstone common stock pursuant to the merger (other than cash received in lieu of a fractional share of Plumas common stock) and increased by the amount of gain, if any, recognized by the shareholder on the exchange (other than any gain or dividend income recognized on the receipt of cash for a fractional share of Plumas common stock). The holding period of the shares of Plumas common stock received in the merger (including any fractional shares deemed received and exchanged for cash) will include the shareholder's holding period of the shares of Cornerstone common stock surrendered in the merger. If a shareholder acquired different blocks of Cornerstone common stock at different times or at different prices, the basis and holding period of each block of Plumas common stock received will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Cornerstone common stock exchanged for such block of Plumas common stock. Shareholders should consult their tax advisor regarding the manner in which cash and the shares of Plumas common stock should be allocated among shares of Cornerstone common stock and the manner in which the above rules would apply to a shareholder's particular circumstances. In addition, gains and losses recognized on the exchange of shares of Cornerstone common stock pursuant to the merger may be subject to the net investment income tax.

**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 Cornerstone into Plumas on July 1, 2025, 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 Cornerstone shareholders are determined under the Internal Revenue Code sections 354, 356, 358, 1001, and 1221.

**18** Can any resulting loss be recognized? ►


Because the merger will qualify as a reorganization under Section 368(a) of the Code, no gain or loss will be recognized by Plumas or Cornerstone as a result of the merger for U.S. federal income tax purposes.

Holders of Cornerstone common stock who exchange shares of Cornerstone common stock for shares of Plumas common stock and cash pursuant to the merger, will generally recognize gain (but not loss) with respect to such cash in an amount equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the shares of Plumas common stock received pursuant to the merger over the adjusted tax basis in shares of Cornerstone common stock surrendered, or (2) the amount of cash received in exchange for shares of Cornerstone common stock pursuant to the merger. Shareholders who acquired different blocks of Cornerstone common stock at different times or at different prices, must calculate gain or loss separately for each identifiable block of shares of Cornerstone common stock surrendered in the merger. Shareholders should consult their tax advisor regarding the manner in which cash and shares of Plumas common stock should be allocated among different blocks of Cornerstone common stock surrendered in the merger and the manner in which gain or loss should be determined. Any gain recognized generally will be treated as capital gain and will be long-term capital gain if, as of the effective time of the merger, the holding period with respect to the shares of Cornerstone common stock surrendered exceeds one year.

Holders of Cornerstone common stock who, as a result of the merger, received cash in lieu of a fractional share of Plumas common stock, will treat the receipt of such cash as if the fractional share of Plumas common stock had been distributed as part of the merger, and then as the shareholder selling such fractional share. Consequently, shareholders generally will recognize gain or loss with respect to the cash received in lieu of such fractional share equal to the difference between the amount of cash received and the tax basis allocated to such fractional share. Such gain or loss generally will be a capital gain or loss and will be a long-term capital gain or loss if shareholders have held their shares of Cornerstone common stock for more than one year as of the effective time of the merger. In general, long-term capital gains for non-corporate taxpayers may be eligible for a reduced rate of taxation. The deductibility of capital losses is subject to limitations. In addition, gains and losses recognized on the exchange of shares of Cornerstone common stock pursuant to the merger may be subject to the net investment income tax.

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

The merger became effective on July 1, 2025; therefore, the reportable tax year is 2025.

<b>Sign Here</b>	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 ► 7/18/25		
<b>Paid Preparer Use Only</b>	Print your name ► Richard Belstock		Title ► EVP/CFO		
	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> 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