

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>InfraREIT, Inc.</b>		2 Issuer's employer identification number (EIN) <b>75-2952822</b>	
3 Name of contact for additional information <b>Greg Imhoff</b>	4 Telephone No. of contact <b>214-855-6700</b>	5 Email address of contact <b>tax@infrareitinc.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>1807 Ross Avenue, 4th Floor</b>		7 City, town, or post office, state, and Zip code of contact <b>Dallas, Texas 75201</b>	
8 Date of action <b>2/4/15</b>		9 Classification and description <b>Reverse share split/Merger/Stock exchange</b>	
10 CUSIP number <b>45685L100</b>	11 Serial number(s)	12 Ticker symbol <b>HIFR</b>	13 Account number(s)

**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 ▶ Pursuant to the terms and conditions of a merger agreement, InfraREIT, LLC merged into InfraREIT, Inc on February 4, 2015, using the following steps:

- 1) On January 29, 2015, InfraREIT, LLC effected a reverse share split whereby each holder of shares received 0.938550 shares in the same class of stock in exchange for each such shares it held prior to that time.
- 2) On February 4, 2015, InfraREIT, LLC was merged into InfraREIT, Inc., where the holders of 19,617,755 common shares of InfraREIT, LLC received 19,617,755 shares of InfraREIT Inc.'s Class A stock and holders of 25,145 shares of Class C shares of InfraREIT, LLC recieved 25,145 shares of InfraREIT Inc.'s Class C common stock. And holders of 8,000,000 shares of common stock received cash consideration treated as boot in an otherwise tax-free merger to be treated as taxable gain to the extent of gain realized by each shareholder.
- 3) On March 9, 2015, a number of Class A and Class C common stock was were cancelled in accordance with the charter, and then each remaining share of Class A and Class C common stock was converted to common stock on a one-to-one basis.

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 ▶ In the first event, the number of shares outstanding was reduced, so total basis did not change. In this and the subsequent two events and throughout the entire scenario, each shareholder's total tax basis in their stock did not change; however, the tax basis per share did change for the pre-Initial Public Offering ("IPO") Shareholders only.

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 ▶ At no time in these events did each shareholder's total basis in the stock change, however, the tax basis per share did change for the pre-IPO Shareholders only.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Section 1036(a) and IRC Section 368(a)(1)(E) for the reverse stock split; IRC Section 368(a)(1)(A) for the merger; IRC Section 1036(a) and Section 368(a)(1)(E) for the stock exchange.

18 Can any resulting loss be recognized? ▶ Yes, but no loss is projected at this time.


19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ These events surround InfraREIT Inc.'s IPO of stock on January 30, 2015. All events occurred in the reportable tax year 2015 and are reported in InfraREIT's prospectus on file with the SEC.

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.

JD  
3/23/15  
Sign Here

Signature ▶  Date ▶ MARCH 23, 2015

Print your name ▶ Greg Imhoff Title ▶ VP of Corporate Secretary

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	David M. Kurtz		3/23/15		P00648347
	Firm's name ▶ Kurtz & Company, P.C.	Firm's EIN ▶ 75-2452274		Phone no. (972) 383- 7300	
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