

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Statement 1](#)

18 Can any resulting loss be recognized? ▶ [See Statement 1](#)


19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Statement 1](#)

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.

Sign Here

Signature ▶  Date ▶ 4/10/2019

Print your name ▶ Gregory S. Imhoff Title ▶ Vice President

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	David M. Kurtz		4/9/19		P00648347
	Firm's name ▶ Kurtz & Company, P.C.	Firm's EIN ▶ 75-2452274		Phone no. (972) 383-7300	
	Firm's address ▶ 12801 N. Central Expwy., Suite 1150, Dallas, TX 75243				

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 February 26, 2019, a cash liquidating distribution of \$0.25 per unit to holders of common stock was declared to be paid on April 18, 2019. This distribution is a deemed liquidating distribution pursuant to an approved plan of liquidation dated February 7, 2019. The final liquidation distribution is anticipated to be complete by mid-2019.

Pursuant to the applicable Treasury Regulations under 6045B, if these projections turn out to be materially incorrect, a corrected Federal Form 8937 will be filed within 45 days of making such a determination.

In accordance with Section 331(a) of the Internal Revenue Code of 1986 (IRC), InfraREIT's stockholders will receive liquidating distributions in 2019. They will first apply the distributions against, and reduce, the adjusted tax basis in their shares, but not below zero, before recognizing any gain or loss on account of the distribution.

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.

See discussion in question 14, above.

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.

See discussion in question 14, above.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Sections 301, 316, 331(a) and 857 of the IRC.

18. Can any resulting loss be recognized?

Loss resulting from this liquidating distribution cannot be determined/recognized until the final liquidating distribution is received by the stockholder.

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

All liquidating distributions will be completed by mid-2019. Thus, the reportable year for the liquidating distributions, yet to be made for each stockholder, is the taxable year of such stockholder that includes February, 2019 to mid-year, 2019. Information concerning cash liquidating distributions will be reported on 2019 Form 1099-DIV, Box 9 – Cash liquidation distributions, which will be mailed in January, 2020.