





**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 May 9, 2019, a cash liquidating distribution of \$0.002747 per share of common stock, per day, which represents a prorated quarterly dividend of \$0.25 per share was declared. The prorated dividend covers the period between March 29, 2019, which was the record date for the Company's first quarter dividend, and the closing of the sale, May 16, 2019. The dividend was paid on May 23, 2019. This distribution is a deemed liquidating distribution pursuant to an approved plan of liquidation dated February 7, 2019. This is the final liquidation distribution just prior to the sales proceeds for which a separate Form 8937 is being filed.

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?**

No. Loss cannot be determined/recognized until the final liquidating sales proceeds 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 are complete by May 16, 2019. Thus, the reportable year for the liquidating distributions is the taxable year of such stockholder that includes February, 2019 to May 16, 2019. Information concerning cash liquidating distributions will be reported on Form 1099-DIV, Box 9 – Cash liquidation distributions. These will be mailed in January, 2020.