

**NOTICE OF EVENTS  
DEFEASANCE, TAX EVENT AND TERMINATION OF REPORTING  
REQUIREMENTS**

Notice is hereby given of the following events related to the following bond issue:

Brentwood Infrastructure Financing Authority Civic Center Project Lease Revenue Bonds, Taxable Series 2009B (Build America Bonds) identified in the following schedule (the “Bonds”):

<u>Maturity Date</u>	<u>CUSIP</u>	<u>Principal Amount</u>
October 1, 2019	10727YAK2	\$ 1,215,000
October 1, 2020	10727YAL0	1,265,000
October 1, 2021	10727YAM8	1,320,000
October 1, 2024	10727YAQ9	4,310,000
October 1, 2030	10727YAT3	10,610,000
October 1, 2039	10727YAU0	22,930,000

**Event Notice – Defeasance**

The Bonds were defeased, in full, on April 2, 2019.

**Event Notice – Tax Event**

The following discussion summarizes certain U.S. federal tax considerations generally applicable to owners of the Bonds that are U.S. Holders (defined below). The discussion below does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Internal Revenue Code of 1986 (the “Code”), or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that hold their Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or

other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of the defeasance of the Bonds (including their status as U.S. Holders).

Owners of Bonds should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the defeasance of the Bonds in light of their particular circumstances.

## **U.S. Holders**

Under Section 1001 of the Code, on the date the Bonds were defeased, April 2, 2019, the Bonds are treated for U.S. federal income tax purposes as being sold by the owners thereof. This deemed sale event will cause an owner of the Bonds to recognize taxable gain or loss, as described below, even though such owner does not receive any cash.

The deemed sale caused by the defeasance of the Bonds could be characterized for U.S. federal income tax purposes as either: (1) a sale of the Bonds in exchange for a like amount of defeased Bonds, or (2) a sale of the Bonds in exchange for the securities held in the defeasance escrow and allocable to defeasing the Bonds. In either case, an owner will generally recognize capital gain or loss if the Bond is a capital asset to such owner. This gain or loss will equal the difference, if any, between the owner's adjusted tax basis in the Bond and the amount the owner is deemed to receive, excluding any amount attributable to accrued interest on the Bond, which will be recognized as ordinary interest income to the extent the owner has not previously included such interest in income.

It is not certain whether the deemed sale of the Bonds will be treated for U.S. federal income tax purposes as being in exchange for the defeased Bonds or the underlying defeasance securities. Owners of Bonds should consult their own tax advisors in that regard. The remainder of this discussion assumes that the Bonds are treated as sold in exchange for defeased Bonds.

Under Treas. Reg. Section 1.1001-1(g) and Section 1273 of the Code, because the principal amount of the Bonds maturing on October 1, 2019 (the “2019 Bonds”) is less than \$100 million, the amount an owner should be treated as receiving (i.e., the deemed value of the defeased 2019 Bond) is the principal amount of the 2019 Bonds, plus any accrued interest.

Under Treas. Reg. Section 1.1001-1(g) and Section 1273 of the Code, because the principal amount of the Bonds maturing on October 1, 2020 (the “2020 Bonds”) is less than \$100 million, the amount an owner should be treated as receiving (i.e., the deemed value of the defeased 2020 Bond) is the principal amount of the 2020 Bonds, plus any accrued interest.

Under Treas. Reg. Section 1.1001-1(g) and Section 1273 of the Code, because the principal amount of the Bonds maturing on October 1, 2021 (the “2021 Bonds”) is less than \$100 million, the amount an owner should be treated as receiving (i.e., the deemed value of the defeased 2021 Bond) is the principal amount of the 2021 Bonds, plus any accrued interest.

Under Treas. Reg. Section 1.1001-1(g) and Section 1273 of the Code, because the principal amount of the Bonds maturing on October 1, 2024 (the “2024 Bonds”) is less than \$100 million, the amount an owner should be treated as receiving (i.e., the deemed value of the defeased 2024 Bond) is the principal amount of the 2024 Bonds, plus any accrued interest.

Under Treas. Reg. Section 1.1001-1(g) and Section 1273 of the Code, because the principal amount of the Bonds maturing on October 1, 2030 (the “2030 Bonds”) is less than \$100 million, the amount an owner should be treated as receiving (i.e., the deemed value of the defeased 2030 Bond) is the principal amount of the 2030 Bonds, plus any accrued interest.

Under Treas. Reg. Section 1.1001-1(g) and Section 1273 of the Code, because the principal amount of the Bonds maturing on October 1, 2039 (the “2039 Bonds”) is less than \$100 million, the amount an owner should be treated as receiving (i.e., the deemed value of the defeased 2039 Bond) is the principal amount of the 2039 Bonds, plus any accrued interest.

An owner's tax basis in the Bond deemed sold will generally equal the amount the owner paid for the Bond, increased by the amount of original issue discount, if any, that has been included in the owner's income, and decreased by the amount of premium, if any, amortized as a reduction to interest income. The gain or loss will be long-term capital gain or loss if the owner has held the Bond for more than one year. The deductibility of capital losses may be subject to limitation.

For future tax reporting purposes, the issuer intends to treat the defeased Bonds as the debt instrument owned by the U.S. Holder thereof.

### **Event Notice – Termination of Reporting Requirements**

The obligations of the City of Brentwood (the “City”) and of the former Redevelopment Agency of the City of Brentwood (the “Agency”) under their respective Continuing Disclosure Agreements relating to Bonds have terminated.

### **Other Matters**

The filing of this notice does not constitute or imply any representation regarding any other financial or operating information about the Brentwood Infrastructure Financing Authority (the “Authority”), the City or the Agency or any representation that no other circumstances or events have occurred which may have a bearing on the Authority's, the City's or the Agency's financial condition or an investor's decision to buy, sell or hold any bonds or other obligations that relate to the Authority, the City or the Agency.

Dated: April 2, 2019