NOTICE OF SPECIAL MEETING OF MEMBERS

Date of meeting: December 10, 2026

Time: 6:00 PM

Place: Light House Restaurant

Notice is hereby given that a special meeting of the voting members of Hazy Hills Water Supply Corporation will be held at the date, time, and place stated above. One purpose of the meeting is to consider and vote on a proposed amendment to the Corporation's Articles of Incorporation/certificate of formation.

The proposed amendment adds Article 2026.1 addressing nonprofit operation, prohibition of dividends, allocation of annual profits to a sinking fund before determining distributable profits, proportional distribution of any remainder, and the bar on distributions while indebtedness is unpaid. It expresses the Board's goal of reinvesting all annual profits (if any) in maintenance, upgrades, and replacements, subject to documented need and applicable law.

FULL TEXT OF PROPOSED ARTICLE 2026.1:

ARTICLE 2026.1
Nonprofit operation and allocation of annual profits

The Corporation shall conduct its business on a nonprofit basis. No dividend shall ever be paid on the stock or memberships of the Corporation.

Before determining the amount of annual profits available for distribution, the Corporation may allocate to a sinking fund such amount of its annual profits as the Board of Directors determines necessary for maintenance, upkeep, operation, and replacements of the water system, consistent with Texas Water Code Section 67.008(d). Such allocations may include water-system upgrades and improvements to the extent they serve those purposes. The Board shall document the amount allocated and the supporting system needs in its budget, capital plan, or meeting minutes. The allocation may include all annual profits when the Board determines that the entire amount is necessary for those purposes.

Subject to the foregoing sinking-fund allocation, all remaining annual profits shall be paid annually to political subdivisions, private corporations, or other persons that transacted business with the Corporation during the preceding year, in direct proportion to the amount of business the Corporation transacted with each such entity or person during that year. No such distribution shall be made while the Corporation has unpaid indebtedness.

The Corporation intends to reinvest all annual profits in maintenance, upgrades, and replacements of its water system through allocations supported by the Board's determination of necessity. This statement of intent does not override the foregoing requirements or applicable law.

Dated: 10-7-2026

By: Kate M Evans

Secretary, Hazy Hills Water Supply Corporation