

CRESTVIEW MUTUAL WATER COMPANY ELECTION MANUAL

Adopted on February 23, 2023 by Resolution 2023-01 of the Board of Directors

This Election Manual (“Election Manual”) of the Crestview Mutual Water Company (“Crestview” or “Company”) was duly adopted by Resolution of the Board of Directors (“Board”) of Crestview on the date set forth above. The Election Manual is written with reference to the Bylaws of the Company (“Bylaws”) and the laws of the State of California, as follows:

RECITALS

A. WHEREAS, Sections 1 and 2, Article II, Meetings of Shareholders, of the Bylaws provide that the Company shall hold an Annual Meeting of shareholders at such place, at such date and time, and with such notice as are provided for in the Bylaws, including the power of the Board of Directors to designate the Annual Meeting place, date and time; and

B. WHEREAS, Section 6 of Article II, Meetings of Shareholders, of the Bylaws provides that every Crestview shareholder shall have the right to vote in person or by proxy the number of shares standing in his or her name on the stock records of the Company and describes the ballot and cumulative voting rights of shareholders, as supplemented by Section 10 concerning the validity and revocation of shareholder proxies; and

C. WHEREAS, Section 3 of Article III, Directors, of the Bylaws provides that the Directors of the Company shall be elected at each Annual Meeting of the shareholders, and also provides, in Section 4, the process for the Board to fill vacancies in the Board of Directors; and

D. WHEREAS, an unusually large number of shareholders, but less than a quorum, attended the June 2022 Annual Meeting, in-person, via teleconferencing, and via proxy, as the worldwide Covid-19 pandemic that began in January 2020 began to allow for the resumption of in-person meetings, which led to a protracted quorum counting process; and

E. WHEREAS, Section 1 of Article III, Directors, of the Bylaws delegates to the Board of Directors of the Company the power, among many others, to conduct, manage and control the affairs and business of Crestview and to make rules and regulations therefor, not inconsistent with law, with the Articles of Incorporation or with the Bylaws, as they may deem best.

NOW THEREFORE, the Crestview Board of Directors adopts this Election Manual.

1. Purpose and Application. The purpose of this Election Manual is to provide clear, fair, and streamlined rules and protocols to govern and simplify the election of Directors at the

Annual Meetings of Crestview, in a manner consistent with law, with the Articles of Incorporation, and with the Bylaws. The rules and protocols set forth in this Election Manual shall apply to all such elections of Directors at Annual Meetings unless and until the Election Manual is amended or rescinded by action of the Board.

2. Election Place, Date, Time and Notice. The Board shall establish, announce and give notice to shareholders of the place, date and time of the Annual Meeting, as provided for in the Bylaws. This rule is designed to advance an orderly and fully noticed process.

3. Election Inspectors. The Board shall appoint inspectors of election in advance of each Annual Meeting of shareholders, which inspectors shall comply with this Election Manual, and shall otherwise exercise all of their powers and obligations for the Annual Meeting and any adjournment thereof as are set forth in Section 707 of the California Corporations Code, including the power to: receive votes, ballots or consents, determine the number of shares outstanding, the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all shareholders. This rule is designed to advance fairness.

4. Candidates. Each candidate, including current Directors, who seeks election at an Annual Meeting to the Board of Directors shall complete and return to Crestview no later than one month in advance of the Annual Meeting, by a date specified by Crestview, a form that shall be provided by Crestview. The candidate form will confirm his/her candidacy and will request a one-page candidate statement that, if submitted, will be provided by Crestview to shareholders concurrent with Crestview's provision of the proxy materials described below. No late or write-in candidates for the Board of Directors shall be accepted or allowed. This rule is designed to advance not only candidates who have considered their candidacy, but also fairness by providing a complete list of candidates to those shareholders who choose to vote by mailed proxy.

5. Proxies. The Board shall approve a proxy form for each Annual Meeting, which shall, in addition to all other requirements, state the name of every candidate for the Board, the Board voting recommendations, and that it is valid only for the Annual Meeting and Board election for which it is solicited. Crestview shall provide the form proxy, a return envelope in care of the election inspectors, and instructions to every shareholder. The instructions shall require that: (a) in order to accurately count mailed proxies in the determination of whether a quorum is achieved, all completed proxies that are returned by mail must be received by the election inspectors on or before a specified date, for which a confirming email of receipt will be provided by the election inspectors if the shareholder provides his/her email address; and (b) all other completed proxies, including any revocation of a previously mailed proxy, must be returned in person at the Annual Meeting. Shareholders may create their own proxy form, instead of using the Board's proxy form, which alternative form must be signed, dated and timely submitted by mail or in person in

accordance with the deadlines stated in the Board's proxy form and in this Election Manual. All proxies purported to be executed in accordance with Title 1, Division 1 of the California Corporations Code shall be presumed valid; however, any proxy that is returned in-person at the Annual Meeting by other than the shareholder whose proxy is provided may be subjected to further examination by the election inspectors for validity. This rule is designed to advance the timely return of proxies, clarity in the duration of a valid proxy, and the early start of quorum counting, and to safeguard against voting fraud.

All proxies, whether submitted on the Board's form or on another form, must be timely received, signed by at least one shareholder (or that shareholder's legal representative), dated, and the intent of the shareholder's votes must be unambiguous. By way of examples only, any proxy that votes for more than five (5) candidates for Director, that both votes for and withholds the vote for the same candidate for Director, or that both votes for one or more candidates for Director and also selects to withhold all votes and to count the proxy for quorum purposes only will be deemed ambiguous. If an ambiguous proxy is valid as to timeliness, signature and date, it will be counted but only for the purpose of establishing a quorum.

6. Annual Meeting Attendance. Unless in-person meetings are again prohibited or discouraged by order of a government agency, as was the case during the outbreak of the Covid-19 pandemic, the Annual Meetings shall be conducted by shareholder in-person attendance only. No shareholder attendance by telecommunication or other electronic means shall be provided or allowed. The Board shall provide all shareholders in advance of the Annual Meeting with one or more methods for notifying Crestview by a date to be specified by Crestview that the shareholder intends to attend the Annual Meeting in person. This rule is designed to advance Crestview's ability to accommodate the in-person attendance of all shareholders who wish to attend the Annual Meeting, to allow the election inspectors to be sufficiently staffed and present, and to avoid the confusion and possible duplication inherent in the quorum, proxy, validation, and in-person vote counting of shareholders participating electronically.

7. Quorum. At each Annual Meeting, the election inspectors shall determine whether a quorum of shareholders is present by proxy or in-person. It is anticipated that this quorum tabulation process may take one or more hours. No other Crestview business will be conducted during the quorum counting process, at the end of which the election inspectors shall provide their good faith estimate of the quorum results to the Board President, or in his/her absence, to the Board Secretary, for delivery by such officer to the shareholders present at the Annual Meeting. The good faith estimate shall be the basis for a determination at the Annual Meeting of whether or not a quorum is present and whether or not the business of the Annual Meeting, including the election of Directors, may be conducted.

If a quorum by good faith estimate is determined to be present, the business of the Annual Meeting, including the election of Directors, shall be conducted. If a quorum by good faith estimate is determined to not be present, no shareholder business, including the election of Directors, shall

be conducted, and the Annual Meeting shall be adjourned. Shareholder business may next be attempted at the following year's Annual Meeting, if a quorum is then present. The election inspectors shall provide a final, verified quorum count to the Board within three business days after the Annual Meeting. If business was conducted at the Annual Meeting on the basis of a good faith estimate of a quorum of shareholders being present, and a quorum is later determined by the election inspectors not to have been present, the business that was conducted at the Annual Meeting shall be null and void. If the Annual Meeting was adjourned on the basis of a good faith estimate that a quorum was not present, and a quorum is later determined by the election inspectors to have been present, the Annual Meeting will be deemed to have been continued, rather than adjourned, and its resumption will be rescheduled and re-noticed to occur as soon as it can practically be held. This rule is designed to advance the orderly conduct and certainty of an Annual Meeting, and to encourage the proxy and in-person participation by shareholders.

8. Ballots and Cumulative Voting. If, at the Annual Meeting and prior to the commencement of voting, any shareholder requests voting by ballot, instead of by voice, then voting by all shareholders will occur by ballot. If, at the Annual Meeting and prior to the commencement of voting, any shareholder requests cumulative voting (i.e., giving one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which the shareholder's shares are normally entitled, or distributing the shareholder's votes on the same principle among as many Board candidates as the shareholder thinks fit), then any and all shareholders may choose to cumulate his/her votes. This rule is declarative of existing law and is designed to avoid shareholder confusion on these topics.

9. Tabulation of Votes. After a final, verified quorum is determined by the election inspectors to have been present at an Annual Meeting, the election inspectors shall tabulate all votes of shareholders, including the votes for the election of Directors. It is anticipated that the shareholder vote counting process, including the inspectors' resolution of any duplicate votes, unauthorized votes, unclear or ambiguously marked votes, and challenges to votes, may take several days. The election inspectors shall provide a final, verified tabulation of the votes to the Board within one week after the Annual Meeting, and the Board shall promptly communicate the election results to the shareholders. The election inspectors shall also provide a written report to the Board prior to the next regularly scheduled Board meeting that summarizes any voting issues or concerns that arose out of the Annual Meeting and that recommends any amendments to this Election Manual. This rule is designed to advance an orderly vote tabulation process and to obtain inspector insights and recommendations for improvement in a timely manner.