

TO: ALL MEMBERS OF COBB ELECTRIC MEMBERSHIP CORPORATION

Please Read this Notice Carefully - It May Affect Your Rights.

This Notice is given pursuant to an Order of the Superior Court of Cobb County, Georgia.

YOU ARE HEREBY NOTIFIED that the parties in the lawsuit Edgar "Bo" Pounds et al. v. Dwight Brown et al., Civil Action File No. 07-1-9408-48 pending in the Superior Court of Cobb County, State of Georgia (the "Derivative Action") have entered into a Joint Proposal for Resolution of Derivative Litigation ("Joint Proposal") on October 30, 2008 that contains terms of a settlement ("Settlement").

PLEASE BE FURTHER ADVISED that pursuant to an Order of the Superior Court of Cobb County, Georgia (the "Court"), a hearing will be held on December 2, 2008 at 1:30 p.m., before the Honorable J. Stephen Schuster, Judge, Superior Court of Cobb County, 30 Waddell Street, Marietta, Georgia 30090, Courtroom N for the purpose of determining: a) whether the Settlement of the Derivative Action should be approved by the Court as fair, reasonable and adequate to Cobb EMC and its members; (b) whether the Derivative Action should be dismissed with prejudice; and (c) whether the application by counsel for the Plaintiffs in the Derivative Action for attorneys fees and expenses should be approved ("Fairness Hearing").

This Notice is a summary only. If you are reading this, but did not receive a mailed notice please call the toll-free number below to receive a copy. You may also view and print a copy of the mailed notice, complaint, Joint Proposal and other court documents at www.carrpalmer.com.

What is This Lawsuit About?

On October 22, 2007 a derivative action was filed in the Court on behalf of Cobb EMC and its members. The complaint generally alleges causes of action against Cobb Energy Management Corporation ("Cobb Energy") and certain officers and directors of Cobb EMC and Cobb Energy for breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. The defendants deny any wrongdoing. The Court has not made a decision either way about the merits of the Derivative Action.

Are You Affected?

The Settlement of the Derivative Action will affect all individuals and entities who are or were a member of Cobb EMC prior to December 2, 2008.

What are the Terms of the Settlement?

A summary of the terms of the Settlement, if approved, include:

1. The sale and/or liquidation of all Cobb Energy subsidiaries except ProCore Solutions LLC, Cobb Energy Right of Way, LLC and the joint venture between Cobb Electric and Cobb Energy relating to the design, licensing, development and operation of certain software and related computer equipment. All proceeds from the above sale of Cobb Energy subsidiaries will be paid to Cobb EMC;
2. Cobb Energy will become a wholly-owned subsidiary of Cobb EMC, which will result in the return of all meters and employees under the corporate umbrella of Cobb EMC;
3. Termination of the remaining approximately thirty-two year term of the Operating Agreement between Cobb Energy and Cobb EMC, which will eliminate all management fees paid by Cobb EMC to Cobb Energy;
4. By June 1, 2009, Cobb EMC's Board of Directors will adopt a succession plan for Cobb EMC's CEO and President Dwight T. Brown to assure the orderly transition to a replacement CEO and President. Mr. Brown will announce his retirement from Cobb EMC on or before February 2011;
5. A proposed amendment to the by-laws will be presented for Cobb EMC member consideration and vote at the next meeting of Cobb EMC members, which will be held within sixty days from the date of the final approval of the Settlement by the Court, to allow members the right to vote for directors by mail-in ballots. Whether or not this by-law amendment is approved by Cobb EMC members, a meeting to elect Cobb EMC directors for 2008 will take place within sixty days after the meeting of the members at which the proposed by-law amendment is considered. An amendment to the by-laws may also be presented at the next meeting of the Cobb EMC members seeking to address the payment of



retirement benefits to Cobb EMC directors in the future.

6. The motions made by members at the September 4, 2008 Cobb EMC Annual Meeting have been addressed by the Cobb EMC Board of Directors or are addressed by the Settlement. More particularly:

- (i) The motion to rescind the resolution adopted by the EMC board on August 26, 2008 increasing the fee charged by Cobb Energy to Cobb EMC from 6% to 11% is addressed by Cobb Energy's restructuring in which it becomes a wholly-owned subsidiary of Cobb EMC and such fees will not be charged in the future;
- (ii) The motion to prohibit Cobb EMC officers, directors and others from having ownership interest in, or being employed with, Cobb Energy has been addressed by Cobb Energy's restructuring in which it becomes a wholly-owned subsidiary of Cobb EMC;
- (iii) The motion made to request the EMC board of directors to reassess the relationship of Cobb Energy so as to eliminate any appearance of conflicts of interest has been addressed by Cobb Energy's restructuring in which it becomes a wholly owned subsidiary of Cobb EMC;
- (iv) The motion to hold future meetings of the Cobb EMC members on Saturdays has been addressed as Cobb EMC's Board of Directors adopted a resolution to hold future meetings of members on Saturday;
- (v) The motion to have the cost benefit analysis relating to the proposed Washington County, Georgia coal-fired power generation plant made accessible to the public and the Cobb EMC membership has been addressed as Cobb EMC's Board of Directors adopted a resolution requiring this information to be placed on Cobb EMC's website;
- (vi) The motion to have Cobb EMC distribute and separate the financials of Cobb EMC and Gas South LLC in future annual reports has been addressed as Cobb EMC's Board of Directors adopted a resolution requiring this information to be placed on the EMC website;
- (vii) The motion that Cobb EMC director insurance, fringe benefits and all compensation be listed in future annual reports has been addressed as Cobb EMC's Board of Directors adopted a resolution requiring such information to be posted on Cobb EMC's website with a reference in future annual reports that such information can be obtained by accessing Cobb EMC's website.

7. Corporate Governance Changes

The corporate governance policies and provisions adopted by Cobb EMC's Board of Directors on September 4, 2008 will be fully implemented as soon as practicable. Cobb EMC shall maintain these corporate governance policies and provisions in effect for no less than five years. A copy of the full text of these policies and provisions can be viewed at www.carrpalmer.com

What Are My Legal Rights?

Any Cobb EMC member may appear at the Fairness Hearing to show cause why the Settlement should not be approved, why a Judgment should not be entered thereon or why the Plaintiffs' counsels application for attorneys fees and expenses should not be approved; provided, however that no such person shall be heard unless his, her or its objection, including the basis therefore, is made in writing, together with proof of being a Cobb EMC member, and is filed together with copies of all other papers in support by hand delivery or first class mail, no later than December 1, 2008 with the Court, Plaintiffs' counsel and counsel for Defendants. Please follow the instructions in the mailed notice, which can be obtained by visiting the website or calling the toll-free number listed below.

Unless otherwise ordered by the Court, any Cobb EMC member who does not make his, her or its objection or opposition in the manner provided in the full mailed notice shall be deemed to have waived all objections and opposition to the fairness, reasonableness and adequacy of the Settlement and the application by Plaintiffs' counsel for attorneys fees and reimbursement of expenses.

For more information and a detailed mail notice, call 1-888-755-1649 or (404) 442-9000, or visit www.carrpalmer.com. PLEASE DO NOT CONTACT THE COURT.