

October 8, 2015

Dear Valued Vendor or Supplier:

We are writing today with some important news. Recently, Dallas Manufacturing Corporation (DMC or Company) entered into an asset purchase agreement with an affiliate of Summit Investment Management. To facilitate the sale, the Company filed a voluntary petition under chapter 11 of the Bankruptcy Code in the Delaware Bankruptcy Court. Malibu Lighting (MLC) and The Brinkmann Corporation (TBC) are also included so as to complete the wind down of both entities, which began a few months ago upon the announcement that The Home Depot would no longer continue its customer relationship with these companies.

First and foremost, during this case, Dallas Manufacturing's day-to-day operations will continue as before. To fund operations during this process, Comerica Bank is providing the Company with financing. This ensures the Company has the resources to pay operating expenses such as payments for the goods and services you provide.

What does this mean for you? The Bankruptcy Code provides administrative priority status for postpetition goods and services that you provide to us from the filing date (October 8, 2015) forward. Therefore, you can be assured that we can and will pay for the goods and services you provide to us going forward.

Unfortunately, federal law prohibits payment for goods and services received before the filing date (before October 8, 2015) without approval of the Court. At this time, we cannot estimate when claims will be reconciled and paid. In the event you have an outstanding, prepetition claim against us (incurred prior to October 8, 2015), you will receive instructions on how to file a claim in the coming weeks. We sincerely regret any hardship this may cause. We hope to move through this as quickly as possible.

Throughout this process, you can expect to receive various notices from the Bankruptcy Court alerting you to the filing, informing you of the meeting of creditors, as well as a notice of a "Claims Bar Date," which is the date by which all claims must be filed. Do not be alarmed by these notices. Receipt of these notices does not mean that a party does in fact have a claim. The notice is a required step and must be sent to all parties that may have a claim against the Company.

We value our relationship with you and want to thank you personally for your patience during this case. We will do our best to keep you fully informed of our progress.

For your convenience, below is an FAQ to address further questions. Additional information regarding the chapter 11 case can be found at www.kccllc.net/Malibu or by calling, 866-967-0499 or +1-310-751-2699 (outside of the U.S.).



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General Vendor/Supplier FAQ

1. Doesn't chapter 11 mean a shutdown or liquidation?

No, Dallas Manufacturing Corporation (DMC) will continue to operate in the ordinary course of business during the chapter 11 so as to facilitate the sale of its assets. However, both Malibu Lighting Corporation (MLC) and The Brinkmann Corporation (TBC) will continue to be wound down and liquidated through the proceeding.

2. Why did the Company file for chapter 11?

Unfortunately, the loss of The Home Depot business made it necessary to take this action. The use of chapter 11 provides an orderly process for both the wind down and the sale, and ensures maximum recovery for our constituents.

3. How does the chapter 11 process work?

In this chapter 11 case, DMC will maintain its day-to-day business operations and the wind down of MLC and TBC will be completed.

4. When will the liquidation of Malibu Lighting and The Brinkmann Corporation be complete?

Most likely by end of the year.

5. Will you be changing vendors, or can we still work together?

Until the integration process begins, it's too early to tell. However, I can tell you that we'd like to keep working with you.

6. Do you have cash to pay for goods and services received during the bankruptcy?

Yes! Comerica Bank is providing DMC with "debtor-in-possession" financing to fund operations during the proceeding.

7. When will I be paid?

You will be paid for goods and services received postpetition—from October 8, 2015 forward—in a timely fashion as required under the Bankruptcy Code. This means that **you will receive payment** for postpetition goods and services on the same terms as existed when we filed. Unfortunately, federal law prohibits payment for goods and services received before the October 8, 2015 chapter 11 filing date.

8. Will I be paid the full amount owed for prepetition goods and services?

Unfortunately, we are not able to provide you an estimate at this time. It is necessary for the Company to collect all potential claims prior to determining recovery.

9. Will suppliers continue to be paid for goods and services they provide after October 8, 2015?

Absolutely. The Company intends to pay suppliers under normal terms for goods received and services rendered postpetition—October 8, 2015, forward.

10. I have unpaid invoices dated before the filing date (i.e., prepetition invoices). What should I do?

Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof-of-claim form and instructions on how to file the form. If you need assistance filling out the proof-of-claim, you should seek legal counsel.

11. Will I need a claim form, or will I automatically be paid for the outstanding, prepetition amount owed to me?

Early in the bankruptcy case, the Company will file a schedule of all known creditors and the amount the Company believes each creditor is owed. If you appear on the schedules and agree with the scheduled claim amount, and such claim is not listed as disputed, contingent, or unliquidated, you do not need to submit a claim. If you do not appear on the schedules, you are scheduled with a disputed, unliquidated or contingent claim, or if you disagree with the scheduled amount of your claim, then you **must** submit a claim.

You will receive a claim form in the mail in the coming weeks with instructions from the Court about how to submit a claim. The Court will eventually set a deadline for all claims to be filed. This deadline is known as the “Claims Bar Date.” You will receive notice of this deadline once it is set.

12. Why can't the Company pay me now for past invoices?

Federal bankruptcy laws generally prohibit the payment of all unpaid invoices incurred before the Company files for bankruptcy. This means that payments for prepetition claims will not be made as this time. Plus, any payment on prepetition claims will be subject to the approval of the Court.

13. Why should I continue to provide you with goods and services if I have prepetition claims?

As required by the U.S. Bankruptcy Code, you will be paid in full for all goods and services provided after the filing date.

14. What if I wait to submit an invoice until after the filing date?

Services provided before the filing date will be considered prepetition and are subject to the “Automatic Stay” that is triggered by the chapter 11 petition regardless of when you submit your invoice. Waiting to submit an invoice until after the filing date will not allow you to be paid for the work performed or goods delivered prepetition.

15. Can a supplier re-submit past invoices and get paid for them now?

No, the provisions of the Bankruptcy Code prohibit that, and filing for protection under chapter 11 automatically triggers a halt or “Automatic Stay.” This bars,

among other things, all collection actions against the Company for monies past due.

16. Is it true that suppliers with outstanding prepetition claims only get a few cents on the dollar for unpaid invoices?

At this time we are not able to make payments for prepetition claims and we do not know how much will be paid for each claim. We sincerely regret the hardship or inconvenience that this may cause your company.

17. Will you attempt to negotiate new terms given the filing?

Not necessarily. However, the Company will continue to review the benefits and opportunities it has to improve its overall supplier relationships in the normal course of business. This will depend on the goods or services individual suppliers provide and the terms in place at the time of filing. The Company anticipates that all supplier terms will be at normal market levels.

18. Given the uncertainties of the situation, can I renegotiate my terms with the Company?

The Company cannot pay more for goods and/or services at this time. Its ability to purchase from you on favorable terms and at competitive prices is critical.

19. When will I receive payment for goods and services delivered after the bankruptcy date?

All goods and services delivered October 8, 2015, forward will be paid according to established terms.

20. What if I only want to be paid cash on delivery?

The Company will continue to pay supplier invoices under normal terms. The Company believes it is in the best interests of its suppliers to maintain business as usual.

21. Can I take back my goods?

No. We understand your frustration, but the Bankruptcy Code prohibits a seller from repossessing goods after a purchaser has filed. The Company recommends that you consult with your legal counsel before taking any such action.

22. Someone called me and offered to pay me for part of my invoice. Who are they? What happens if I agree?

There are companies who specialize in buying pre-petition invoices (incurred prior to the Chapter 11), or claims. These companies are not affiliated with us in any way. Because our liabilities are public record, they are able to gather to whom we owe money to and the amounts. If you sell your claim to them, any Court approved monetary recovery for your claim would go to them and not you. We cannot advise in this regard.

23. Who should my lawyer contact if he/she has questions for counsel?

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