

DAVIS Industries, Inc.

4090 W. Westover Drive
Indianapolis, IN 46268
(317) 871-0103

December 8, 2008

RE: Circon Systems Corporation

To: Clients, Associates and Friends

On or about November 17, 2008 it became known to us that Circon was experiencing issues that forced them to temporarily cease operations. The purpose of this letter is to inform you of what we know, our position on the matter and how it impacts your project and/or system installed by Davis Industries, Inc. The following information is based upon the best information available.

The current economic crisis that is affecting banks, the auto industry, etc... also has had a direct affect on Circon Systems Corporation. During this crisis, Circon was forced to seek out and negotiate buy out proposals from several different sources with very little time to put a plan in place. Unfortunately, cash ran out for Circon which forced them to cease operations. However Circon is not in bankruptcy or receivership, merely ceasing operations and focusing efforts on the buyout so that operations may resume as quickly as possible.

Davis Industries does not expect any impact on any of our ongoing operations due to the inability to purchase Circon product. We have pre-purchased any Circon product required for our current projects. It is currently sitting on your job sites or in our office clearly marked for its intended destination. In addition we have always carried a sufficient inventory of Circon product to meet day to day needs, service and project requirements.

Throughout the years, many of you have heard us stress the importance of going with an "open and interoperable" system such as a LonWorks system. In the event that Circon product is not available on a long term basis we intend to prove our point to you. We have extensive experience with multiple "Lonworks" products that we can substitute for a Circon product in your system. This substitution will not cost you any more money than if a Circon product was available. The substitution will integrate into your existing systems without the need for additional hardware or software.

Davis Industries will continue to honor all warranty requirements for systems installed by us. Please be assured that your system is not "obsolete".

We are in regular communication with Circon about this situation. We are anticipating that Circon will be successful in their negotiations and operations will resume shortly.

Please feel free to contact us if you have any questions concerning this matter.

Sincerely,

DAVIS INDUSTRIES, INC.

Thomas W. Davis

