



Standard Structures Inc.

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August 18, 2004

Gary W. Johnson
President, CEO
The Greenspan Company, Adjusters International
400 Oyster Point, suite 519
South San Francisco, Ca 94080

Subject: Kiln Fire

Dear Gary,

Last August 29, 2003 we had a fire in our 14,000 SF kiln. The kiln is used for drying the 2x lumber that we use in the manufacturing of the Engineered Wood Products that we furnish for Commercial Buildings throughout the Western United States.

Our kiln was equipped with sprinklers so the wood being dried was not damaged. However, the roof and the equipment in a portion of the kiln were badly burned. The structure was so badly damaged that the local Building Official required that the building be retrofitted to meet the current code requirements.

We were in a terrible predicament as the proper drying of the wood is critical to the quality of our products. The retrofit or kiln replacement was projected to be 10 to 12 months. Fortunately we had engaged Greenspan Co. to represent us with the carrier. You and your quality staff developed projections and obtained advances so that our loss of income and extra expenses were adequately covered. Then a global settlement was consummated with the carrier. On March 2, 2004 we received payment of \$1,107,461 for the extra expenses and loss of income and a payment of \$985,539 for kiln replacement in addition to our earlier advances. We were very pleased to issue checks for your fee totaling \$222,500.

This month we have run four kiln charges through our completely renovated kiln with a 40% increase in our efficiency in a structure that has been rebuilt to meet all current seismic and ADA requirements of the Building Code.

The settlement process was arduous and required time and patience by us but we were guided skillfully and professionally by you and your staff. I recommend you and the Greenspan Co. for any significant property damage insurance claims.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard C. Caletti", written in black ink.

Richard C. Caletti
President

Developing Better Ways to Build