

February 6, 2003

Mr. Warren Aakervik
Ballard Oil Company, Inc.
5300 26th Northwest
Seattle, Washington 98107

RE: Burke-Gilman Trail

Dear Warren:

I am writing to inform you that the emergence of the Burke-Gilman Trail adjacent to your property in Ballard will have a detrimental impact on your commercial insurance should the Trail become a reality.

It seems to me that this is quite literally an accident waiting to happen. Moreover, there is simply no way to convince an insurer of the safety of fuel trucks to the proximity of a public trail. The grade of the entrance to your business will mean impaired visibility for your drivers as well as the cyclists who would use the trail.

The first trail-related accident that would occur will trigger a non-renewal by our auto insurer. The marketplace for commercial fueling operations is extremely limited. There is a distinct possibility that your business could literally become effectively uninsurable in that the premiums that the market would bear after a trail-related accident would be unaffordable or the quality of the insurer would not satisfy the requirements of your creditors, clients and suppliers.

Warren, this is a critical issue to the future insurability of Ballard Oil. I am available for additional comment or inquiry for you or anyone that you would like to direct to me. I can be reached at 425-458-2319 or via electronic mail at jimh@bell-anderson.com.

Best Regards,

Jim Hunt
Executive Vice President
The Bell-Anderson Agency, Inc.