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January 15, 2003

Via facsimile

John McDonald
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41 S. High St., Suite 2600
Columbus, OH 43215-6106

Re: ***Buckeye Recyclers v. CHEP USA***
United States District Court, Southern District of Ohio,
Western Division, Case No. C3-01-440

Dear John:

This letter will confirm that Sam McAdow, Sr. will make himself available for two hours of additional deposition on Wednesday, January 22, 2003, beginning at 9:00 a.m. in our offices.

This letter will also confirm that Buckeye is willing to allow Eldon Potts to attend the inspection at Buckeye's premises with you provided that he will not be permitted to view Buckeye's remanufacturing process, which it considers proprietary. If this limitation is not agreeable, please let me know.

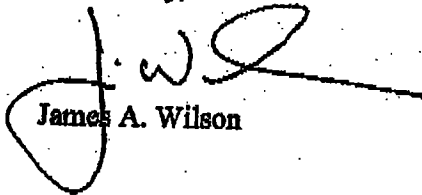
I will make every effort to provide CHEP with written responses to its two pending document requests by the close of discovery on Monday, January 27, 2003. Actual making and copying of responsive documents may take a couple additional days.

Finally, this letter will serve to supplement Buckeye's initial disclosure concerning its damage calculations. As you know, Buckeye's count indicates that it currently possesses approximately 3700 pallets with CHEP's markings. Buckeye believes that if it were free to do so, and were free to communicate with customers about CHEP's charges for lost pallets, it could sell these pallets to participating CHEP manufacturers or distributors for approximately 50% of the price due CHEP for lost CHEP pallets (i.e., between \$9 and \$12 per pallet). With respect to its claims for fair compensation for the sorting, storage and

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transportation of such pallets, Buckeye will present the jury with two alternative theories of fair compensation: (a) the surcharge price CHEP charges for shipment of pallets to hostile or non-cooperative NPDs (i.e., approximately \$8 per pallet); and (b) the price Buckeye is paid by those who put into circulation other proprietary pallets to Buckeye for return of these pallets (i.e., \$4 to \$6.50 per pallet). I note that CHEP's initial disclosure with respect to calculation of damages states: "Unknown at this time, estimated to exceed \$75,000." Do you intend to supplement this response?

Yours truly,



James A. Wilson

JAW/jaw

cc: Bridgette Roman, Esq.