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February 4, 2004

VIA HAND DELIVERY

James A. Wilson, Esq.
Vorys, Sater, Seymour & Pease, LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008

Re: *Buckeye Diamond Logistics, Inc. (formerly Buckeye Recyclers, Inc.) v. CHEP USA*
U.S. District Court for the Southern District of Ohio Western Division
Case No. C3-01-440 - Judge Walter Herbert Rice

Dear Jim:

Attached is the summary of damages which CHEP will claim together with the calculations on which those claims are based. Those calculations were completed this morning and will be the subject of testimony by Elton Potts.

The Motion in Limine which you filed on Monday makes reference to our duties under FRCP 26 and I believe that this material satisfies our obligations in that regard. At the same time, we have yet to receive Buckeye's computation with respect to the unjust enrichment damages you are claiming. When can we expect to receive such information?

Sincerely,

A handwritten signature in black ink, appearing to read 'John C. McDonald', written over a circular scribble.

John C. McDonald

JCM/mc
Enclosures

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SUMMARY OF DAMAGES

DEPRECIATION IN VALUE	\$33,995
COST TO RECONDITION	\$39,936
COST OF CAPITAL	\$48,444
"SALES" BY BUCKEYE	<u>\$37,482</u>

TOTAL LOSS SUFFERED BY CHEP	\$159,857
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AVERAGE PURCHASE PRICE OF PALLETS

<u>Month</u>	<u>Price Per Pallet</u>
Oct-99	\$22.38
Nov-99	\$22.38
Dec-99	\$21.13
Jan-00	\$15.46
Feb-00	\$25.04
Mar-00	\$21.24
Apr-00	\$21.24
May-00	\$22.09
Jun-00	\$20.66
Jul-00	\$20.45
Aug-00	\$20.79
Sep-00	\$20.43
Oct-00	\$19.88
Nov-00	\$20.00
Dec-00	\$19.68
Jan-01	\$17.13
Feb-01	\$18.75
Mar-01	\$20.25
Apr-01	\$19.05
May-01	\$19.39
Jun-01	\$19.46
Jul-01	\$21.44
Aug-01	\$20.28
Sep-01	\$19.25
Oct-01	\$19.03
Nov-01	\$18.71
Dec-01	\$19.32
Jan-02	\$18.41
Feb-02	\$20.78
Mar-02	\$19.51
Apr-02	\$20.05
May-02	\$19.80
Jun-02	\$19.12
Jul-02	\$18.60
Aug-02	\$19.32
Sep-02	\$19.04
Oct-02	\$19.55
Nov-02	\$18.45
Dec-02	\$18.60
Jan-03	\$18.23
Feb-03	\$18.39
Mar-03	\$18.72
Apr-03	\$18.37
May-03	\$19.50
Jun-03	\$19.15
Jul-03	\$18.81
Aug-03	\$19.05
Sep-03	\$18.54

1999
Average \$21.96

2000
Average \$20.38

2001
Average \$19.34

2002
Average \$19.27

2003
Average \$18.72

48 month
average
\$19.65

**TOTAL DEPRECIATION IN VALUE OF
PALLETS HELD BY BUCKEYE**

TOTAL PALLETS HELD BY BUCKEYE	AVERAGE MONTHLY DEPRECIATION PER PALLET	AVERAGE MONTHS HELD BY BUCKEYE	TOTAL DEPRECIATION IN VALUE
27,395	12.3¢	10.1	\$33,995.58

**AVERAGE MONTHLY
DEPRECIATION IN VALUE**

<u>COST OF PALLET</u>	<u>ANNUAL DEPRECIATION IN VALUE</u>	<u>MONTHLY DEPRECIATION IN VALUE</u>
\$19.69	\$1.48	12.3¢

**COST TO RECONDITION OR REPLACE PALLETS
RECOVERED FROM BUCKEYE
SEPTEMBER 2003**

Undamaged Pallets	8374
Damaged Pallets	7287
Scrap Pallets	<u>320</u>
Total Recovered	15,981

TOTAL COST TO RECONDITION OR REPLACE PALLETS

15,981 Pallets Washed @ \$1.75 =	\$27,966
15,303 Parts Replaced @ \$0.673=	\$10,298
7,287 Pallets Repaired @ \$1.07=	\$ 7,797
320 Pallets Replaced @ \$18.54=	<u>\$ 5,932</u>
Total Cost	\$51,993

COST ATTRIBUTABLE TO BUCKEYE

15,981 Pallets Washed @ \$1.75 =	\$27,966
6,996 Parts Replaced @ \$0.673=	\$ 4,708
2,301 Pallets Repaired @ \$1.07=	\$ 2,461
259 Pallets Replaced @ \$18.54=	<u>\$ 4,801</u>
Total	\$39,936

**COST OF CAPITAL
FOR REPLACEMENT PALLETS**

<u>YEAR</u>	<u>NUMBER OF REPLACEMENT PALLETS</u>	<u>TOTAL REPLACEMENT COST</u>	<u>COST OF CAPITAL @ 9%</u>
1999	1295	\$ 28,438.20	\$ 2,559.43
2000	6960	\$143,236.80	\$12,891.31
2001	6960	\$134,606.40	\$12,114.57
2002	6960	\$134,119.20	\$12,070.72
2003	<u>5220</u>	<u>\$ 97,875.00</u>	<u>\$ 8,808.75</u>
TOTAL	27,395	\$ 538,275.60	\$48,444.78



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February 9, 2004

VIA HAND DELIVERY

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Dear Jim:

Mr. McDonald is in Florida meeting with our clients, but asked that I provide you with the enclosed documents, Bates numbers CHEP10763 through CHEP10813 which underlie or relate to the damage calculations we provided last week.

After verifying our numbers Mr. McDonald indicates that there will be a reduction of approximately \$1,500.00 in CHEP's total claim and we will provide you with the corrected calculations shortly.

Also enclosed are DX18 and DX19 which should replace existing exhibits in the Defendant's Trial Exhibits notebook.

Sincerely,

A handwritten signature in cursive script that reads "Vicki E. Seckel".

Vicki E. Seckel
Litigation Paralegal

VES/mc
Enclosures

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