

Office DEPOT®

March 2009

Dear Valued U.S. Communities Program Participant:

For more than 22 years, Office Depot has proven its commitment to the highest level of ethics, pricing, service and integrity. This has always been our approach with U.S. Communities, with whom we have been a reliable and responsible office products supplier since 1996.

I am pleased to announce that Office Depot has taken steps to further improve the value we offer our customers who purchase products through the U.S. Communities program. In coordination with Los Angeles County, whose contract serves to underlie the product offerings, and U.S. Communities, Office Depot is proactively implementing a new price structure that will enhance the simplicity of the existing contract, while strengthening the Office Depot and U.S. Communities program. Importantly, program participants will continue to enjoy the transparency of the existing contract, including verifiable pricing and the ease of audit. This new price structure will replace the two current pricing options currently offered in the U.S. Communities program with one simplified pricing structure.

Specifically, the new price structure provides fixed prices for a set period of time for all items listed in the current Office Depot printed Business Solutions Division Big Book Catalog ("BSD Big Book")¹. Pricing on items contained in the BSD Big Book will only be updated twice a year (January and July), with the exception of paper, toner and technology, which may be subject to more frequent price updates. Prices for such items are displayed on the BSD website (bsd.officedepot.com) for viewing prior to purchase. Notably, traditional core items are included in the BSD Big Book. These items will continue to be aggressively priced in the new price structure and are easily recognizable with the "Best Value" icon designated next to each item on the BSD website. Additionally, you will also receive a List Less 10% discount on any products not contained in our then current printed BSD Big Book catalog, with the exception of custom printing services, including custom imprinting services and large format prints, and promotional products that are offered at other agreed upon contract discounts. This List Less 10% discount includes other items offered by Office Depot but not listed in the BSD Big Book, as well as items available through wholesalers but not listed in the BSD Big Book catalog. We are currently in the process of finalizing applicable documentation with LA County, with the expectation of transitioning U.S. Communities program participants to this new pricing structure on March 23, 2009.

Office Depot takes great pride in our commitment to our customers, and we recognize how critical it is to bring both lower costs and smart, value-added solutions. That is why, in addition to the new pricing, our U.S. Communities program participants also enjoy additional benefits from partnering with Office Depot including:

- Convenient ways to shop – by phone, 24/7 secure online ordering or in any of our more than 1,100 retail stores nationwide;
- One of the largest assortments of environmentally preferable products in the industry;
- Convenient purchasing options including Account Billing and the Store Purchasing Card;
- One solution source for office essentials, copy and print, furniture and coffee & breakroom;
- A dedicated technology division, Tech Depot™, with more than 275,000 available products such as PC hardware, software and networking supplies; and
- The flexibility of integrated ordering, billing and usage reports – one consolidated and convenient statement for all of your Office Depot orders.

Office Depot is dedicated to its partnership with U.S. Communities program participants, where together we continue to take care of business. We look forward to continuing to serve all of the agencies purchasing under this very important contract. To learn more about the new pricing structure or should you have any general customer service questions, please contact our dedicated contract specialists at (866) 358-4606.

I am confident that this new price structure will add simplicity and preserve transparency for all U.S. Communities program participants purchasing their office supplies through Office Depot.

Sincerely,



Steve Schmidt
President, Business Solutions Division

¹ The List price on the items shown in the printed BSD Big Book catalog, which serves all BSD customers, does not reflect your price on these items. Instead, the prices listed on your designated BSD website will contain your contract pricing.