UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended July 1, 1995

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number 1-10948

OFFICE DEPOT, INC.
(Exact name of registrant as specified in its charter)

Delaware	59-2663954
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2200 Old Germantown Road, Delray Beach, Florida	33445
(Address of principal executive offices)	(Zip Code)

(407) 278-4800
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirement for the past 90 days.

Yes X No ___

The registrant had 150,306,766 shares of common stock outstanding as of July 27, 1995.

OFFICE DEPOT, INC.

INDEX

OFFICE DEPOT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)
(Unaudited)

	13 Weeks Ended July 1, 1995	13 Weeks Ended June 25, 1994	26 Weeks Ended July 1, 1995	26 Weeks Ended June 25, 1994
Sales	$1,200,410	$924,676	$2,551,622	$1,966,072
Cost of goods sold and occupancy costs	928,606	709,076	1,974,989	1,513,535
Gross profit	271,804	215,600	576,633	452,537
Store and warehouse operating and selling expenses	179,238	142,201	382,405	302,660
Pre-opening expenses	2,912	1,973	6,164	3,232
General and administrative expenses	36,192	31,413	73,264	60,799
Amortization of goodwill	1,297	1,268	2,592	2,537
	219,639	176,855	464,425	369,228
Operating Profit	52,165	38,745	112,208	83,309
Interest expense, net	6,812	3,774	11,631	7,234
Earnings before income taxes	45,353	34,971	100,577	76,075
Income taxes	17,935	14,162	40,685	30,720
Net earnings	$ 27,418	$ 20,809	$ 59,892	$ 45,355
Earnings per common and common equivalent share	$ .18	$ .14	$ .39	$ .30
Average common and common equivalent shares	153,642	152,380	153,544	152,379

OFFICE DEPOT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	July 1, 1995 (Unaudited)	December 31, 1994
ASSETS		
Current Assets		
Cash and cash equivalents	$ 30,277	$ 32,406
Receivables, net of allowances	290,571	266,629
Merchandise inventories	984,947	936,048
Deferred income taxes	33,744	32,093
Prepaid expenses	13,702	7,046
Total current assets	1,353,241	1,274,222
Property and Equipment	622,045	524,350
Less accumulated depreciation and amortization	153,700	127,121
	468,345	397,229
Goodwill, net of amortization	197,903	200,449
Other Assets	37,197	32,083
	$2,056,686	$1,903,983
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 517,810	$ 609,914
Accrued expenses	151,197	154,894
Income taxes	8,997	18,051
Current maturities of long-term debt	778	4,030
Total current liabilities	678,782	786,889
Long-Term Debt, less current maturities	204,233	27,460
Deferred Taxes and Other Credits	10,659	8,023
Zero Coupon, Convertible, Subordinated Notes	374,356	366,340
Common Stockholders' Equity		
Common stock - authorized 400,000,000 shares of $.01 par value; issued 152,343,395 in 1995 and 151,536,781 in 1994	1,523	1,515
Additional paid-in capital	465,510	453,117
Foreign currency translation adjustment	(2,203)	(3,295)
Retained earnings	325,576	265,684
Less: 2,163,447 shares of treasury stock	(1,750)	(1,750)
	788,656	715,271
	$2,056,686	$1,903,983

OFFICE DEPOT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(In thousands)
(Unaudited)

	26 Weeks Ended July 1, 1995	26 Weeks Ended June 25, 1994
Cash flows from operating activities		
Cash received from customers	$ 2,512,748	$ 1,948,309
Cash paid for inventory	(2,025,380)	(1,482,493)
Cash paid for store and warehouse operating, selling and general administrative expenses	(522,332)	(416,926)
Interest received	132	2,608
Interest paid	(2,305)	(1,537)
Taxes paid	(50,143)	(39,777)
Net cash provided (used) by operating activities	(87,280)	10,184
Cash flows from investing activities		
Capital expenditures-net	(98,100)	(70,996)
Net cash used by investing activities	(98,100)	(70,996)
Cash flows from financing activities		
Proceeds from exercise of stock options	8,767	5,666
Foreign currency translation adjustment	1,092	251
Proceeds from long- and short-term borrowings	176,430	8,139
Payments on long- and short-term borrowings	(3,038)	(10,646)
S corporation distribution to stockholders	--	(542)
Net cash provided by financing activities	183,251	2,868
Net decrease in cash and cash equivalents	(2,129)	(57,944)
Cash and equivalents at beginning of period	32,406	142,471
Cash and equivalents at end of period	$ 30,277	$ 84,527
Reconciliation of net earnings to net cash provided (used) by operating activities		
Net earnings	$ 59,892	$ 45,355
Adjustments to reconcile net earnings to net cash provided (used) by operating activities		
Depreciation and amortization	30,377	23,000
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	(23,942)	6,423
Increase in inventory	(48,899)	(26,658)
Increase in prepaid expenses and other assets	(14,268)	(12,608)
Decrease in accounts payable and other liabilities	(90,440)	(25,328)
Total adjustments	(147,172)	(35,171)
Net cash provided (used) by operating activities	$ (87,280)	$ 10,184

OFFICE DEPOT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The interim financial statements as of July 1, 1995 and for the 13 and 26 week periods ended July 1, 1995 and June 25, 1994 are unaudited; however, such interim statements reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial position and the results of operations for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year. The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 1994.

2. Average common and common equivalent shares utilized in computing second quarter earnings per share include approximately 3,708,000 and 4,631,000 shares in 1995 and 1994, respectively, as a result of applying the treasury stock method to outstanding stock options.

3. The Consolidated Statements of Cash Flows for the 26 weeks ended July 1, 1995 and June 25, 1994 do not include noncash financing transactions of $1,994,000 and $3,186,000, respectively, relating to additional paid-in capital associated with tax benefits of stock options exercised and $1,640,000 and $1,252,000, respectively, relating to common stock and additional paid-in capital associated with stock issued to the Office Depot Retirement Savings Plan and related to the employee stock purchase program. In addition, the Consolidated Statements of Cash Flows for the 26 weeks ended July 1, 1995 and June 25, 1994 do not include noncash financing transactions of $8,145,000 and $7,787,000, respectively, associated with accreted interest on convertible, subordinated notes.

4. In June 1995, the Company amended its credit agreement with its principal bank and a syndicate of commercial banks to increase the working capital line to $300,000,000 and to modify other terms. The credit agreement provides that funds borrowed will bear interest, at the Company's option, at .3125% over the LIBOR rate, 1.75% over the Fed Funds rate, at a base rate linked to the prime rate or at a competitive bid rate. The Company also pays a fee of .1875% per annum on the total credit facility. The credit facility expires in June 2000. As of July 1, 1995 the Company had borrowed $191,430,000 under the credit facility. In addition to the credit facility, the bank has provided a lease facility to the Company under which the bank has agreed to purchase up to $25,000,000 of equipment from the Company and lease such equipment back to the Company. As of July 1, 1995, the Company had approximately $2,865,000 outstanding under this lease facility.

Item 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Sales increased 30% to $1,200,410,000 in the second quarter of 1995 from $924,676,000 in the second quarter of 1994; and to $2,551,622,000 for the first six months of 1995 from $1,966,072,000 for the first six months of 1994, an increase of 30%. Comparable store sales increased 18% for the second quarter and 19% for the first six months of 1995, respectively. The balance of the sales increase was attributable to the 80 new stores (net of one store closure) opened subsequent to the second quarter of 1994. The Company opened 17 stores and closed one store in the second quarter of 1995, bringing the total number of stores open at the end of the second quarter to 448 compared with 368 stores at the end of the second quarter of 1994. The Company also operated 24 contract stationer and delivery warehouses (customer service centers) at the end of both the second quarter of 1995 and 1994. Comparable store sales in the future may be affected by competition from other stores and contract stationers, the opening of additional Office Depot stores or the expansion of the Company's contract stationer business in its existing markets, and general market conditions.

Gross profit as a percentage of sales was 22.6% during both the second quarter and first six months of 1995, compared with 23.3% and 23.0% during the second quarter and first six months of 1994, respectively. The decrease was primarily a result of an increase in sales of lower margin business machines and computers and an increase in paper costs. These decreases were partially offset by purchasing efficiencies gained through vendor volume discount programs which increased as purchasing levels continued to increase, and by leveraging the Company's occupancy costs through higher average sales per store. Gross margins are slightly higher in the contract stationer portion of the business due to a lower percentage of business machine and computer sales. Gross margins may fluctuate in both the retail and contract stationer business as a result of competitive pricing in more market areas, continued change in sales product mix and increased occupancy costs in certain new markets.

Store and warehouse operating and selling expenses as a percentage of sales were 14.9% and 15.0% in the second quarter and first six months of 1995, respectively, compared with 15.4% in each of the comparable periods in 1994. Store and warehouse operating and selling expenses consist primarily of payroll and advertising expenses. Although the majority of these expenses vary proportionately with sales, there is a fixed cost component to these expenses such that, as sales increase within a given market area, store and warehouse operating and selling expenses should decrease as a percentage of sales. This benefit may not be fully realized, however, during periods when a large number of new stores and customer service centers are being opened, as new facilities typically generate lower sales than the average mature location, resulting in higher operating and selling expenses as a percentage of sales for such new facilities. This percentage is also affected when the Company enters large metropolitan market areas where the advertising costs for the full market must be absorbed by the small number of stores initially opened. As additional stores in these large markets are opened, advertising costs, which are substantially a fixed expense for a market area, typically decrease overall as a percentage of sales. The Company has also continued a strategy of opening additional stores in existing markets. Although increasing the number of stores increases operating income in absolute dollars, this may have the effect of increasing overall expenses as a percentage of sales, since the sales of certain existing stores in the market may initially be adversely affected. Warehouse expenses in the first six months of 1995 were adversely affected by the additional costs incurred in the integration of the contract stationer warehouses. The integration is expected to be substantially completed by early 1996.

Pre-opening expenses increased to $2,912,000 in the second quarter of 1995 from $1,973,000 in the comparable period in 1994, and to $6,164,000 in the six month period ended July 1, 1995 from $3,232,000 in the comparable 1994 period. Pre-opening expenses in 1995 include the costs associated with replacing six existing customer service centers with larger, more functional facilities. Additionally, the Company added 29 stores in the first six months of 1995, as compared with 17 stores in the comparable 1994 period. Pre-opening expenses currently are approximately $125,000 per store and $500,000 for a customer service center, and are predominately incurred during a six-week period prior to the opening of the store or a twelve-week period prior to the opening of a customer service center. Pre-opening expenses may vary based on geographical area and customer base being serviced. These expenses consist principally of amounts paid for salaries, occupancy costs and supplies. Since the Company's policy is to expense these items during the period in which they occur, the amount of pre-opening expenses in each quarter is generally proportional to the number of new stores or customer service centers opened or in the process of being opened during the period.

General and administrative expenses have decreased as a percentage of sales to 3.0% in the second quarter of 1994 from 3.4% in the comparable period in 1994, and to 2.9% in the first six months of 1995 from 3.1% in the comparable 1994 period. General and administrative expenses have decreased as a percentage of sales, primarily as a result of the Company's ability to increase sales without a proportionate increase in corporate expenditures. The Company's continued investment in its information systems should allow the Company to further reduce general and administrative expenses as a percentage of sales.

The Company incurred net interest expense of $6,812,000 and $11,631,000 in the second quarter and first six months of 1995, respectively, as compared with $3,774,000 and $7,234,000 in the comparable periods in 1994. This increase in interest expense is primarily due to funds borrowed under the Company's revolving credit agreement.

LIQUIDITY AND CAPITAL RESOURCES

Since the Company's store sales are substantially on a cash and carry basis, cash flow generated from operating stores provides a source of liquidity to the Company. Working capital requirements are reduced by vendor credit terms, which allow the Company to finance a portion of its inventory. The Company utilizes private label credit card programs administered and financed by financial service companies; this allows the Company to expand its retail sales without the burden of additional receivables.

Sales made through the customer service centers are generally made under regular commercial credit terms, where the Company carries its own receivables. As the Company expands into servicing additional large companies in the delivery portion of its business, it is expected that the Company will carry a greater amount of receivables.

In the second quarter of 1995, the Company added 17 stores and closed one store, compared with 8 stores added in the comparable 1994 period. The Company also replaced two of its existing customer service centers with larger, more efficient facilities. As stores mature and become more profitable, and as the number of new stores opened in a year becomes a smaller percentage of the existing store base, cash generated from operations will provide a greater portion of funds required for new store fixed assets, inventories and other working capital requirements. Cash generated from operations will be affected by an increase in receivables carried without outside financing, and an increase in inventory at the stores and customer service centers as the Company continues to expand its sales in computers and business machines. Net cash provided (used) by operating activities was $(87,280,000) and $10,184,000 in the first six months of 1995 and 1994, respectively. Capital expenditures are also affected by the number of stores and customer service centers opened, converted or acquired each year and the increase in computer and other equipment at the corporate office required to support such expansion. Cash utilized for capital expenditures was $98,100,000 and $70,996,000 in the first six months of 1995 and 1994, respectively.

During the 26 weeks ended July 1, 1995, the Company's cash balance decreased approximately $2,129,000 and long- and short-term debt increased by approximately $173,392,000. The decrease in cash (and increase in long-term debt, reflecting primarily borrowings under its working capital facility) was primarily attributable to payments for fixed assets and inventories for new stores as well as payments for inventory mix changes resulting from an increase in business machines and computer sales and a build up of paper inventory to protect against rising costs and product availability.

The Company plans to open a total of approximately 40 to 50 additional stores, replace four existing customer service centers, close three customer service centers, and add two new customer service centers during the remainder of 1995. Management estimates that the Company's cash requirements, exclusive of pre-opening expenses, will be approximately $1,700,000 and $5,300,000 for each additional store and customer service center, respectively.

The Company has recently amended its credit agreement with its principal bank and a syndicate of commercial banks to provide for a working capital line of $300,000,000.

The credit agreement provides that funds borrowed will bear interest, at the Company's option, at .3125% over the LIBOR rate, 1.75% over the Fed Funds rate, at a base rate linked to the prime rate or at a competitive bid rate. The Company also pays a fee of .1875% per annum on the total credit facility. The credit facility expires in June 2000. As of July 1, 1995 the Company had borrowed $191,430,000 under the credit facility. In addition to the credit facility, the bank has provided a lease facility to the Company under which the bank has agreed to purchase up to $25,000,000 of equipment from the Company and lease such equipment back to the Company. As of July 1, 1995, the Company had approximately $2,865,000 outstanding under this lease facility.

The Company's management continually reviews its financing options. It is currently anticipated that the Company has the ability to finance its planned expansion through 1995 from cash on hand, funds generated from operations, equipment leased under the Company's lease facility, and funds borrowed under the Company's amended credit facility. The Company is considering and will continue to consider alternative financing opportunities including the issuance of equity, debt or convertible debt, if market conditions make such alternatives financially attractive methods of funding the Company's short-term or long-term expansion. The Company's financing requirements in the future will be affected by the number of new stores and customer service centers opened, converted or acquired and additional receivables carried by the Company.

PART II. OTHER INFORMATION

Items 1-3 Not applicable.

Item 4 Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Stockholders of Office Depot, Inc. held on May 18, 1995, the nominees for election as Directors of the Corporation were elected without opposition.

A vote of the common stock with respect to this election was:

Nominee	Number of Shares For	Withheld
Mark D. Begelman	125,294,087	1,508,195
Denis Defforey	125,259,018	1,543,264
David I. Fuente	125,319,872	1,482,410
W. Scott Hedrick	125,384,280	1,418,002
John B. Mumford	125,288,962	1,513,320
Michael J. Myers	125,313,493	1,488,789
Peter J. Solomon	125,364,136	1,438,146
Cynthia Cohen Turk	125,322,153	1,480,129
Alan L. Wurtzel	125,379,460	1,422,822

The number of shares of broker non-votes for the election of Directors was none.

The following proposals of the Board of Directors were submitted for adoption. The board proposals were adopted by the votes indicated (which constituted the affirmative vote of more than one-half of the shares voting).

RESOLVED, that based upon the recommendation of the Board of Directors of the Corporation, the Restated Certificate of Incorporation of the Corporation be amended and restated in its entirety to read as set forth in Appendix A of the Proxy.

For the proposal:	119,527,062	Shares
Against the proposal:	6,289,909	Shares
Abstaining:	985,311	Shares

The number of shares of broker non-votes in the above proposal was none.

RESOLVED, that based upon the recommendation of the Board of Directors of the Corporation, the adoption of the Office Depot, Inc. Omnibus Equity Plan is hereby approved and adopted.

For the proposal:	103,828,629	Shares
Against the proposal:	21,763,591	Shares
Abstaining:	1,210,062	Shares

The number of shares of broker non-votes in the above proposal was none.

RESOLVED, that based upon the recommendation of the Board of Directors of the Corporation, the adoption of the 1994-1998 Office Depot, Inc. Designated Executive Incentive Plan, including amounts payable thereunder with respect to the 1994 fiscal year, is hereby approved and adopted.

For the proposal:	123,181,593	Shares
Against the proposal:	3,097,787	Shares
Abstaining:	522,902	Shares

The number of shares of broker non-votes in the above proposal was none.

RESOLVED, that based upon the recommendation of the Board of Directors of the Corporation, the appointment of Deloitte & Touche LLP as independent public accountants to audit the Corporation's consolidated financial statements for the fiscal year ending December 30, 1995 is hereby approved and adopted.

For the proposal:	126,316,557	Shares
Against the proposal:	279,120	Shares
Abstaining:	206,605	Shares

The number of shares of broker non-votes in the above proposal was none.

Item 5 Not applicable.

Item 6 Exhibits and Reports on Form 8-K

a. 10.6 Third Amendment to Revolving Credit and Line of Credit Agreement dated as of June 30, 1995 by and among the company and Sun Bank, National Association, individually and as Agent, NationsBank of Florida, N.A., PNC Bank, Kentucky, Inc., Bank of America National Trust and Savings Association and Royal Bank of Canada.

27.1 Financial Data Schedule (for SEC use only)

b. No reports on Form 8-K were filed during the quarter ended July 1, 1995.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OFFICE DEPOT, INC.

(Registrant)

Date: July 31, 1995

By: /s/ Barry J. Goldstein

Barry J. Goldstein
Executive Vice President-Finance
and Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT 10.6

THIRD AMENDMENT TO REVOLVING CREDIT
AND LINE OF CREDIT AGREEMENT

THIS THIRD AMENDMENT TO REVOLVING CREDIT AND LINE OF CREDIT AGREEMENT (the "Third Amendment") dated as of June 30, 1995, by and among Office Depot, Inc., a Delaware corporation (the "Borrower"), the Banks signatories to the Revolving Credit and Line of Credit Agreement (as hereinafter defined) (the "Lenders") and Sun Bank, National Association, a national banking association, as Agent (the "Agent").

W I T N E S S E T H:

WHEREAS, the Borrower, the Lenders, and the Agent have entered into that certain Revolving Credit and Line of Credit Agreement dated as of September 30, 1993, as amended by that certain First Amendment to Revolving Credit and Line of Credit Agreement, Consent and Waiver dated as of February 1, 1994, and as further amended by that certain Second Amendment to Revolving Credit and Line of Credit Agreement dated as of May 22, 1995 (as so amended, the "Credit Agreement"); and

WHEREAS, the Borrower has requested an increase in the Total Commitment to $300,000,000.00, an extension in the term and revisions in certain covenants; and

WHEREAS, the Lenders and the Agent have agreed to increase the Total Commitment, extend the term of the credit facility and the revisions to certain covenants; and

WHEREAS, the Lenders and the Agent have agreed to amend the Credit Agreement to provide for the foregoing, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Revolving Credit and Line of Credit Agreement. The Credit Agreement is hereby amended as follows:

a. The definition of "Applicable Margin" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"APPLICABLE MARGIN" shall mean the higher percentage designated below based on the

Borrower's fiscal quarter-end Fixed Charge Coverage Ratio indicated below:

APPLICABLE MARGIN	FIXED CHARGE COVERAGE RATIO
.375%	less than 2.0:1.0
.3125%	greater than or equal to 2.0:1.0 and less than 2.5:1.0
.25%	greater than or equal to 2.5:1.0

provided, however, that:

(a) The Applicable Margin in effect as of the date of execution and delivery of this Agreement shall be 0.3125% and shall remain in effect until such time as the Applicable Margin may be adjusted as hereinafter provided;

(b) So long as no Default or Event of Default has occurred and is continuing under this Agreement, adjustments, if any, to the Applicable Margin based on changes in the ratios set forth above shall be made and become effective on the first day of the second fiscal quarter after such determination; and

(c) The Applicable Margin shall be the lowest (0.25%) if the Borrower's senior actual or implied credit rating is at least either Baa1 by Moody's or BBB+ by S & P at the time of determining the Fixed Charge Coverage Ratio."

b. The definition of "Competitive Bid Revolving Loan" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"COMPETITIVE BID REVOLVING LOAN" shall mean a Revolving Loan made by a Lender on a Competitive Bid basis as provided herein, consisting of either a Libor Bid Loan or a Fixed Rate Bid Loan."

c. The definition of "Credit Documents" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"CREDIT DOCUMENTS" shall mean, collectively, the Agreement, as amended from time to time, the Notes, the Guaranty Agreements, and all other Guaranty Documents, if any."

d. The definition of "Fixed Charge Coverage Ratio" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"FIXED CHARGE COVERAGE RATIO" shall mean, as at the end of any fiscal period of Borrower, the ratio of (A) Consolidated EBITR for such fiscal period to (B) the sum of (i) Consolidated Interest Expense plus (ii) Consolidated Rental Expense plus (iii) interest and other continuing program fees (excluding initial closing fees) related to an accounts receivable securitization program for such fiscal period.

e. The definition of "Funded Debt" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"FUNDED DEBT" shall mean, without duplication, all indebtedness for money borrowed, purchase money mortgages, capitalized leases, the aggregate outstanding net investment of a purchaser under an accounts receivable securitization program, conditional sales contracts and similar title retention debt instruments, including any current maturities of such indebtedness, which by its terms matures more than one year from the date of any calculation thereof and/or which is renewable or extendable at the option of the obligor to a date beyond one year from such date. The calculation of Funded Debt shall include, without duplication, all Funded Debt of the Borrower and its Subsidiaries, plus all Funded Debt of other entities or Persons, other than Subsidiaries, which has been guaranteed by the Borrower or any Subsidiary or which is supported by a letter of credit issued for the account of the Borrower or any Subsidiary. Funded Debt shall also include the redemption amount with respect to any stock of the Borrower or its Subsidiaries required to be redeemed within the next twelve months.

f. The definition of "Line of Credit Commitment" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"LINE OF CREDIT COMMITMENT" shall mean at any time for Sun Bank, Twenty-Five Million Dollars ($25,000,000.00), as the same may be increased or decreased from time to time as a result of any reduction thereof pursuant to Section 3.3, any assignment thereof pursuant to Section 11.6, or any amendment thereof pursuant to Section 11.2."

g. The definition of Termination Date" as defined in Section 1.1 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

'"TERMINATION DATE" shall mean June 30, 2000."

h. The following definitions are hereby inserted in Section 1.1 of the Credit Agreement to read as follows:

'"FACILITY FEE PERCENTAGE" shall mean the higher percentage designated below based on the Borrower's fiscal quarter-end Fixed Charge Coverage Ratio indicated below:

FACILITY FEE PERCENTAGE	FIXED CHARGE COVERAGE RATIO
.25%	less than 2.0:1.0
.1875%	greater than or equal to 2.0:1.0 and less than 2.5:1.0
.125%	greater than or equal to 2.5:1.0

provided, however, that the Facility Fee Percentage shall be the lowest (0.125%) if the Borrower's senior actual or implied credit rating is at least either Baa1 by Moody's or BBB+ by S & P at the time of determining the Fixed Charge Coverage Ratio.

'"FEDERAL FUNDS RATE ADVANCE" shall mean an Advance made or outstanding as a Line of Credit Loan bearing interest based on the Federal Funds Rate.

'"FIXED RATE BID LOAN" shall mean a Competitive Bid Revolving Loan, bearing interest based on a fixed rate.

'"FOREIGN SUBSIDIARY" shall mean a Subsidiary not organized under the laws of any of the fifty (50) states of the United States of America or the

District of Columbia, or that is operating entirely outside of the United States.

'"LIBOR BID LOAN" shall mean a Competitive Bid Revolving Loan, bearing interest based on LIBOR plus (or minus) a margin.

'"MOODY'S" shall mean Moody's Investors Service, Inc. and its successors and assigns.

'"S & P" shall mean the Standard & Poor's Corporation and its successors and assigns."

i. The definitions of "Interest Coverage Ratio" and Working Capital" found in Section 1.1 of the Credit Agreement are hereby deleted.

j. Sections 2.1(e) and 2.1(f) of the Credit Agreement are hereby deleted and, in lieu thereof, there is substituted the following:

"(e) Each Revolving Loan (other than Competitive Bid Revolving Loans) shall, at the option of Borrower, be made or continued as, or converted into, part of one or more Borrowings that shall consist entirely of Syndicate Revolving Loans (as Base Rate Advances or Eurodollar Advances). The aggregate principal amount of each Borrowing of Syndicate Revolving Loans shall be not less than $2,000,000 or a greater integral multiple of $500,000, provided that each Borrowing of Syndicated Revolving Loans comprised of Base Rate Advances shall be not less than $1,000,000 or a greater integral multiple of $100,000. At no time shall the number of Borrowings of Syndicate Revolving Loans comprised of Eurodollar Advances outstanding under this Article II exceed eight (8); provided that, for the purpose of determining the minimum amount for Borrowings resulting from conversions or continuations, all Borrowings of Base Rate Advances under this Facility shall be considered as one Borrowing. The parties hereto agree that (i) the aggregate principal balance of the Revolving Loans (including the Competitive Bid Revolving Loans) of the Lenders as a group shall not exceed the sum of the Revolving Loan Commitments for each Lender, (ii) no Lender shall be obligated to make Syndicate Revolving Loans in excess of the Revolving Loan Commitment of such Lender, (iii) no Lender shall be obligated hereunder to extend Competitive Bid Revolving Loans or to make quotes for such Loans, (iv) a Lender may elect, in its discretion, to extend Competitive Bid Revolving Loans which, notwithstanding the Syndicate Revolving Loans and Letter of Credit Obligations of such Lender, do not alone exceed the Revolving Loan Commitment of such Lender and (v) except for such Lender's Pro Rata Share of Letter of Credit Obligations, which shall not be decreased by such Lender's Competitive Bid Revolving Loans, the Competitive Bid Revolving Loans (if any) extended by a Lender shall, while outstanding, reduce the Commitment of such Lender to make Revolving Loans by the amount of such Competitive Bid Revolving Loans so extended (but not below zero). Notwithstanding that any Lender has extended Competitive Bid Revolving Loans, each Lender, including such Lender that has so extended Competitive Bid Revolving Loans, shall purchase participations in Letter of Credit Obligations based upon the Lender's Pro Rata Share of Revolving Loan Commitment even if such purchase would exceed the amount of such Lender's Revolving Loan Commitment set forth opposite such Lender's name on the signature page hereof.

"(f) The proceeds of Revolving Loans shall be used solely for working capital and for other general corporate purposes, including acquisitions and capital expenditures of the Consolidated Companies."

k. Section 3.1(b) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(b) Each Line of Credit Loan shall consist entirely of Federal Funds Rate Advances. The aggregate principal amount of each Borrowing of Line of Credit Loans shall be not less than $1,000,000 or a greater integral multiple of $100,000."

l. Section 4.1(a)(ii) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(ii) Whenever Borrower desires to make a Borrowing under the Competitive Bid Revolving Loan Commitment (other than one resulting from a conversion or continuation pursuant to Section 4.1(b)(ii)), it shall give the Agent prior written notice by facsimile not later than 10:00 A.M. (local time for the Agent) (a "Notice of Competitive Bid Borrowing") not less than three Business Days prior to the requested date of such Borrowing in the case of Libor Bid Loans and one Business Day prior to the requested date of such Borrowing in the case of Fixed Rate Bid Loans and shall request that the Lenders provide Competitive Bid Rates for Interest Periods of not less than seven (7) days identified by Borrower. Agent shall give the Lenders said "Notice of Competitive Bid Borrowing" not later than 11:00 A.M. (local time for the Agent) on the same Business Day such notice is received from Borrower. Alternatively, at Borrower's option, said Notice of Competitive Bid Borrowing shall be furnished directly to the Lenders. Notices furnished directly to the Lenders must be delivered by facsimile not later than 11:00 AM. (local time for the Agent) not less than three Business Days prior to the requested date of such Borrowing in the case of Libor Bid Loans and one Business Day prior to the requested date of such Borrowing in the case of Fixed Rate Bid Loans. Each Lender in its discretion may, but shall not be obligated to, submit an irrevocable quote to the Agent or Borrower, whichever is applicable, in connection with such request. Each Lender shall give the Agent or Borrower its Competitive Bid Rates for the Interest Periods identified by the Borrower not later than 9:30 A.M. (local time for the Agent) two Business Days prior to the requested date of such Borrowing in the case of Libor Bid Loans and not later than 9:30 A.M. (local time for the Agent) on the requested date of such Borrowing in the case of Fixed Rate Bid Loans. If the Competitive Bid Rates are given to the Agent, the Agent shall give such Competitive Bid Rates to the Borrower no later than 10:00 A.M. (local time for the Agent) on the same day it receives such Competitive Bid Rates. In the event such Notice of Competitive Bid Borrowing is furnished to the Agent and the Agent wishes to submit a Competitive Bid Rate, then the Agent shall so submit its Competitive Bid Rate to Borrower not later than

5:00 P.M. (local time for the Agent) the same day of receipt of said Notice of Competitive Bid Borrowing and prior to the Agent's receipt of any Competitive Bid Rates from any other Lender. The Borrower shall then be entitled, in its sole discretion, to elect to incur all or any part of the Competitive Bid Revolving Loan offered by one or more of the Lenders that have elected to provide quotes for any of the Interest Periods and at the rate(s) quoted by such Lender(s) provided, however, in the event two or more Lenders submit identical quotes and the Borrower elects to incur all or any part of the Competitive Bid Revolving Loans at such identical quotes, such Borrowing shall be from said Lenders on a pro rata basis determined by the amounts offered by such Lenders. The Competitive Bid Revolving Loans incurred by the Borrower in connection with such a request for quotes shall not exceed (i) with respect to all Lenders then providing quotes, the then unutilized Revolving Loan Commitment of all Lenders as a group, and (ii) with respect to each Lender providing a quote, the amount bid by such Lender in connection with such Lender's quote. The Borrower shall notify the Agent and such Lender or Lenders of its election by telephone and promptly confirmed in writing not later than 11:00 A.M. (local time for the Agent) two (2) Business Days prior to the requested date of such Borrowing in the case of Libor Bid Loans and on the requested date of such Borrowing in the event of Fixed Rate Bid Loans."

m. Section 4.2(b) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(b) No later than 3:00 P.M. (local time for the Agent) on the date of each Borrowing with respect to the Competitive Bid Revolving Loan (other than one resulting from a conversion or continuation pursuant to Section 4.1(b)(ii)), the Competitive Bid Lender will make available the amount of such Borrowing in immediately available funds at its Payment Office or the Payment Office of the Agent, as directed by the Borrower, on the date of each Borrowing pursuant to the Revolving Loan Commitments. In the event the Notice of Competitive Bid Borrowing is given to the Agent, the Competitive Bid Lender will make available the amount of such Borrowing in immediately available funds at the Payment Office of the Agent and the Agent will disburse the amount of such Borrowing as provided in Section 4.2(a) above."

n. Section 4.3(a) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(a) Borrower agrees to pay interest in respect of all unpaid principal amounts of the Revolving Loans and Line of Credit Loans from the respective dates such principal amounts were advanced to maturity (whether by acceleration, notice of prepayment or otherwise) at rates per annum (on the basis of a 360 day year) equal to the applicable rates indicated below:

(i) For Revolving Loan Base Rate Advances--The Base Rate in effect from time to time;

(ii) For Revolving Loan Eurodollar Advances--The relevant Adjusted LIBO Rate plus the Applicable Margin; and

(iii) For Line of Credit Loans--The Federal Funds Rate in effect from time to time plus one and three fourths percent (1.75%).

o. Sections 4.5(a), 4.5(b) and 4.5(d) of the Credit Agreement are hereby deleted and, in lieu thereof, there is substituted the following:

"(a) Borrower shall pay to the Agent, for the account of and distribution to each Lender, a Facility Fee computed at the rate of the applicable Facility Fee Percentage on the Revolving Loan Commitment and the Line of Credit Commitment of each Lender regardless of usage, such fee being payable quarterly in arrears on the last calendar day of each fiscal quarter of Borrower and on the Termination Date.

"(b) (RESERVED)

"(d) Standby Letters of Credit. With respect to each Standby Letter of Credit, the Borrower shall pay the Agent for the account of each Lender, a nonrefundable fee equal to the Applicable Margin per annum on such Lender's Pro Rata Share of the undrawn face amount of such Letter of Credit. All fees due pursuant to this Section 4.5(d) shall be based on a year of 360 days and computed for the actual number of days elapsed, and shall be payable in advance on the date of such Letter of Credit for the period from the date of issuance to the first Business Day of each calendar quarter and thereafter on the first Business Day of each calendar quarter."

p. Section 4.6(a) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(a) With the consent of the Lender, Borrower may prepay Competitive Bid Revolving Loans on such terms as are mutually agreed to by the Lender and the Borrower. Borrower may, at its option, prepay Borrowings consisting of Base Rate Advances at any time in whole, or from time to time in part, in amounts aggregating $1,000,000 or any greater integral multiple of $100,000, by paying the principal amount to be prepaid together with interest accrued and unpaid thereon to the date of prepayment. Those Borrowings consisting of Eurodollar Advances may be prepaid, at Borrower's option, in whole, or from time to time in part, in the respective minimum amounts and multiples set forth in Section 2.1(b) with respect to the Revolving Loan Commitments, by paying the principal amount to be prepaid, together with interest accrued and unpaid thereon to the date of prepayment, and all compensation payments pursuant to Section 4.12 if such prepayment is made on a date other than the last day of an Interest Period applicable thereto. Each such optional prepayment shall be applied in accordance with Section 4.6(c) below.

q. Section 7.8 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 7.8 FINANCIAL COVENANTS.

(a) Fixed Charge Coverage. Maintain as of the last day of each fiscal quarter, a minimum Fixed Charge Coverage Ratio, calculated for the immediately preceding four fiscal quarters, of at least 1.5:1.0.

(b) Funded Debt to Total Capitalization. Maintain as of the last day of each fiscal quarter, a maximum ratio of Funded Debt to

Total Capitalization, of less than or equal to 0.5:1.0 through the fiscal quarter ending December 31, 1995 and 0.45:1.0 thereafter.

(c) Leverage Ratio. Maintain as of the last day of each fiscal quarter, a maximum Leverage Ratio of less than or equal to 0.30:1.0.

(d) Tangible Net Worth. Maintain as of the last day of each fiscal quarter, Tangible Net Worth of at least $450,000,000 plus fifty percent (50%) of Consolidated Net Income earned after December 31, 1994."

r. Section 7.10 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 7.10 ADDITIONAL GUARANTORS. Promptly after (i) the formation or acquisition (provided that nothing in this Section shall be deemed to authorize or prohibit the acquisition of any entity) of any Material Subsidiary not listed on Schedule 6.1, (ii) the transfer of assets to any Consolidated Company if notice thereof is required to be given pursuant to Section 7.7(n) and as a result thereof the recipient of such assets becomes a Material Subsidiary, (iii) the occurrence of any other event creating a new Material Subsidiary, Borrower shall execute and deliver, and cause to be executed and delivered Guaranty Agreements from each such Material Subsidiary, together with related documents of the kind described in Section 5.1, all in form and substance satisfactory to the Agent and the Required Lenders. As used in this Section, Material Subsidiary shall not include a Foreign Subsidiary.

s. Section 8.1(c) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(c) purchase money Indebtedness to the extent secured by a Lien permitted by Section 8.2(b) provided such purchase money Indebtedness does not exceed $25,000,000;"

t. Subsections (k) and (l) of Section 8.1 of the Credit Agreement are hereby inserted to read as follows:

"(k) Indebtedness of not to exceed $50,000,000.00 for a period not to exceed six (6) months to be used for working capital and other general corporate purposes, provided that at the time thereof there are no funds available to the Borrower within the total Revolving Loan Commitment for all Lenders; and

"(l) Indebtedness relating to an accounts receivable securitization program in conjunction with the sale of accounts receivable in an aggregate outstanding amount, at any one time not to exceed $150,000,000.00."

u. Section 8.2(b) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

(b) any Lien on any property securing Indebtedness incurred or assumed for the purpose of financing all or any part of the acquisition cost of such property and any refinancing thereof, provided that such Lien does not extend to any other property, and provided further that the aggregate principal amount of Indebtedness secured by all such Liens at any time does not exceed $25,000,000;"

v. Section 8.2(h) of the Credit Agreement is hereby inserted to read as follows:

"(h) Liens relating to an accounts receivable securitization program in an amount permitted by Section 8.1."

w. Section 8.3 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 8.3 MERGERS, ACQUISITIONS, SALES, ETC. Merge or consolidate with any other Person, other than Borrower or another Subsidiary, or sell, lease, or otherwise dispose of its accounts, property or other assets (including capital stock of Subsidiaries), or, except for the purchase of capital stock as an investment in a Subsidiary as permitted by subsections (a) and (b) in Section 8.4, below, purchase, lease or otherwise acquire all or any substantial portion of the property or assets (including capital stock) of any Person; provided, however, that the foregoing restrictions on asset sales shall not be applicable to (i) sales of equipment or other personal property being replaced by other equipment or other personal property purchased as a capital expenditure item having comparable values, (ii) sale, lease or transfer of assets of the Borrower or any Subsidiary to the Borrower or to any other Subsidiary, (iii) sales of inventory in the ordinary course of business, (iv) other asset sales (including the stock of Subsidiaries) where, on the date of execution of a binding obligation to make such asset sale (provided that if the asset sale is not consummated within six (6) months of such execution, then on the date of consummation of such asset sale rather than on the date of execution of such binding obligation), the Asset Value of asset sales occurring after the Closing Date, taking into account the Asset Value of the proposed asset sale, would not exceed twenty-five percent (25%) of Borrower's assets, since the Closing Date and (v) the sale of accounts receivable in an amount permitted by Section 8.1 through an accounts receivable securitization program; provided further, that the foregoing restrictions on mergers shall not apply to mergers involving Borrower and another entity, provided Borrower is the surviving entity, and mergers between a Subsidiary of Borrower and Borrower or between Subsidiaries of Borrower provided that, in either case, upon consummation of such mergers, Borrower is in compliance with Section 8.3 hereof; provided, however, that no transaction pursuant to clauses (i), (ii), (iv) or the second proviso above shall be permitted if any Default or Event of Default otherwise exists at the time of such transaction or would otherwise exist as a result of such transaction."

x. Section 8.4(i) of the Credit Agreement is hereby inserted to read as follows:

"(i) the sale of accounts receivable in an amount permitted by Section 8.1 through an accounts securitization program."

y. Section 8.6 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 8.6 TRANSACTIONS WITH AFFILIATES.

(a) Except in conjunction with an accounts receivable securitization program as permitted in this Agreement, enter into any material transaction or series of related transactions which in the aggregate would be material, whether or not in the ordinary course of business, with any Affiliate of any Consolidated Company (but excluding any Affiliate which is also a Consolidated Company), other than on terms and conditions substantially as favorable to such Consolidated Company as would be obtained by such Consolidated Company at the time in a comparable arm's length transaction with a Person other than an Affiliate.

(b) Convey or transfer to any other Person (including any other Consolidated Company) any real property, buildings, or fixtures used in the manufacturing or production operations of any Consolidated Company, or convey or transfer to any other Consolidated Company any other assets (excluding conveyances or transfers in the ordinary course of business) if at the time of such conveyance or transfer any Default or Event of Default exists or would exist as a result of such conveyance or transfer."

z. Section 8.7 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 8.7 OPTIONAL PREPAYMENTS. Directly or indirectly, prepay, purchase, redeem, retire, defease or otherwise acquire, or make any optional payment on account of any principal of, interest on, or premium payable in connection with the optional prepayment, redemption or retirement of, any of its Indebtedness, or give a notice of redemption with respect to any such Indebtedness, or make any payment in violation of the subordination provisions of any Subordinated Debt, except with respect to (i) the Obligations under this Agreement and the Notes, (ii) prepayments of Indebtedness outstanding pursuant to revolving credit, overdraft and line of credit facilities permitted pursuant to Section 8.1, (iii) the Series B Senior Subordinated Notes, (iv) Intercompany Loans made or outstanding pursuant to Section 8.1, (v) Subordinated Debt, in form and substance acceptable to the Agent and the Required Lenders, as evidenced by their written consent, issued to refinance existing Subordinated Debt (vi) trade payables incurred in the ordinary course of business and (vii) prepayments of Indebtedness outstanding pursuant to an accounts receivable securitization program as permitted in this Agreement."

aa. Section 8.13 of the Credit Agreement is hereby deleted.

ab. Section 9.5 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 9.5 NON-PAYMENTS OF OTHER INDEBTEDNESS. Any Consolidated Company shall fail to make when due (whether at stated maturity, by acceleration, on demand or otherwise, and after giving effect to any applicable grace period) any payment of principal of or interest on any Indebtedness (other than the Obligations) exceeding $10,000,000.00 in the aggregate;"

ac. Section 9.6 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 9.6 DEFAULTS UNDER OTHER AGREEMENTS. Any Consolidated Company shall fail to observe or perform within any applicable grace period any covenants or agreements (other than those referenced in Section 9.5) contained in any agreements or instruments relating to any of its Indebtedness exceeding $10,000,000.00 in the aggregate, or any other event shall occur if the effect of such failure or other event is to accelerate, or to permit the holder of such Indebtedness or any other Person to accelerate, the maturity of such Indebtedness; or any such Indebtedness shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity;"

ad. Section 9.9 of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"SECTION 9.9 MONEY JUDGMENT. A judgment or order for the payment of money in excess of $5,000,000.00 or otherwise having a Materially Adverse Effect shall be rendered against Borrower or any other Consolidated Company and such judgment or order shall continue unsatisfied (in the case of a money judgment) and in effect for a period of 30 days during which execution shall not be effectively stayed or deferred (whether by action of a court, by agreement or otherwise);"

ae. Section 11.6(d) of the Credit Agreement is hereby deleted and, in lieu thereof, there is substituted the following:

"(d) Each Lender may, without the consent of Borrower and the Agent, sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments in the Loans owing to it and the Notes held by it), provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating bank or other entity shall not be entitled to the benefit (except through its selling Lender) of the cost protection provisions contained in Article IV of this Agreement, and (iv) Borrower and the Agent and other Lenders shall continue to deal solely and directly with each Lender in connection with such Lender's rights and obligations under this Agreement and the other Credit Documents, and such Lender shall retain the sole right to enforce the obligations of Borrower relating to the Loans and to approve any amendment, modification or waiver of any provisions of this Agreement. Any Lender selling a participation hereunder shall provide prompt written notice to Borrower of the name of such participant."

af. The signature pages to the Credit Agreement shall be amended as reflected on the signature pages attached hereto.

2. Revolving Credit Notes. Borrower has executed new Revolving Credit Notes, in the form of Exhibit "A" attached to the Credit Agreement, dated of even date herewith, in favor of the Lenders.

3. Line of Credit Note. Borrower has executed a new Line of Credit Note, in the form of Exhibit "C" attached to the Credit Agreement, dated of even date herewith, in favor of Sun Bank, National Association.

4. Conditions to Effectiveness. The effectiveness of this Third Amendment is subject to the satisfaction of the following conditions:

a. The Agent shall have received the following, in form and substance reasonably satisfactory in all respects to the Agent:

i. the duly executed counterparts of this Third Amendment;

ii. the duly executed Revolving Notes evidencing the Revolving Loan Commitments and the duly executed Line of Credit Note evidencing the Line of Credit Commitment;

iii. Certificates of the Secretary or Assistant Secretary of each of the Credit Parties, (A) certifying the name, title and true signature of each officer of such entities executing the Third Amendment and Notes and (B) attaching and certifying copies of the Resolutions of the Board of Directors of the Credit Parties, authorizing as applicable the execution, delivery and performance of the Third Amendment and Notes;

iv. copies of all consents, approvals, authorizations, registrations, or filings required to be made or obtained by the Borrower and all Guarantors in connection with the Facility;

v. the favorable opinion of Kirkland & Ellis, counsel to the Credit Parties, in a form acceptable to the Agent and addressed to the Agent and each of the Lenders;

vi. receipt of the most recent annual audited financial statements and quarterly financial statements of the Borrower and its Subsidiaries, on a consolidated basis, and the absence of any change in the financial condition of the Borrower and its Subsidiaries as reflected in such financial statements which would have a Material Adverse Effect.

b. In addition, the following conditions shall have been satisfied or shall exist:

i. there shall exist no Default or Event of Default;

ii. all representations and warranties contained in the Credit Agreement shall continue to be true and correct in all material respects except those which are made as of a specific date; and

iii. there shall be no action or proceeding instituted or pending before any court or other governmental authority or, to the knowledge of the Borrower, threatened which reasonably could be expected to have a Material Adverse Effect.

5. Counterparts. This Third Amendment may be executed in any number of counterparts, each of which shall be deemed an original and shall be binding upon all parties, their successors and permitted assigns.

6. Capitalized Terms. All capitalized terms contained herein shall have the meanings assigned to them in the Credit Agreement unless the context herein otherwise dictates or enlists different meanings as separately assigned to said terms herein.

7. Ratification of Loan Documents; Miscellaneous. The Credit Agreement, as amended hereby, and all of the other Credit Documents, shall remain in full force and effect and this Third Amendment to Revolving Credit and Line of Credit Agreement shall not be deemed a novation. Each and every reference to the Credit Agreement and the other Credit Documents shall be deemed to refer to the Credit Agreement as amended by this Third Amendment. The Borrower hereby acknowledges and represents that the Credit Documents, as amended, are, as of the date hereof, valid and enforceable in accordance with the respective terms and are not subject to any defenses, counterclaims or rights of set-off whatsoever except that enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or other similar laws and the effect of general principles of equity (regardless of whether enforcement is considered in proceedings at law or in equity).

8. Governing Law. THIS THIRD AMENDMENT SHALL BE EFFECTIVE UPON ACCEPTANCE BY THE LENDERS IN FLORIDA, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

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IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the day and year first above written.

BORROWER:

OFFICE DEPOT, INC.

By: Barry J. Goldstein

Barry J. Goldstein
Executive Vice President - Finance

(CORPORATE SEAL)

Attest: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

JOINDER OF GUARANTORS

The undersigned, as Guarantors under the Revolving Credit and Line of Credit Agreement, hereby join in and consent to the foregoing Third Amendment and confirm and agree that their duties and obligations under the Subsidiary Guaranty Agreements by and between the undersigned and the Agent, remains in full force and effect.

Dated as of the 30th day of June, 1995.

THE OFFICE CLUB, INC.
(a "Guarantor")

By: David I. Fuente
Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein
Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

EASTMAN OFFICE PRODUCTS CORPORATION
(a "Guarantor")

By: David I. Fuente
Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein
Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

EASTMAN, INC.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

OD INTERNATIONAL, INC.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

L.E. MURAN CO.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

YORKSHIP PRESS, INC.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

SILVER'S, INC.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

MIDWEST CARBON COMPANY
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

J.A. KINDEL COMPANY, INC.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

ALLSTATE OFFICE PRODUCTS, INC.
(a "Guarantor")

By: David I. Fuente

Name: David I. Fuente
Title: Chief Executive Officer

Attest: Barry J. Goldstein

Name: Barry J. Goldstein
Title: Executive Vice President, Finance

(CORPORATE SEAL)

[SIGNATURE PAGE TO REVOLVING CREDIT
AND LINE OF CREDIT AGREEMENT
BETWEEN SUN BANK, AS AGENT,
AND OFFICE DEPOT, INC.]

Address for Notices:

200 S. Orange Avenue
4th Floor - Tower
Orlando, Florida 32801
Attn: Ms. Kristina L. Anderson
Assistant Vice President
Telex No. 4415-11
Answerback: Sun Bank

Telecopy No. (407) 237-6894
Telephone No. (407) 237-4839

SUN BANK, NATIONAL ASSOCIATION,
individually and as Agent

By: Kristina L. Anderson

Kristina L. Anderson,
Assistant Vice President

Payment Office:

200 S. Orange Avenue
4th Floor - Tower

- ---

Revolving Loan Commitment: $74,250,000

Pro Rata Share of Revolving Loan Commitment: 27.0%

Line of Credit Commitment: $25,000,000

Pro Rata Share of Line of Credit Commitment: 100%

[SIGNATURE PAGE TO REVOLVING CREDIT
AND LINE OF CREDIT AGREEMENT
BETWEEN SUN BANK, AS AGENT,
AND OFFICE DEPOT, INC.]

ROYAL BANK OF CANADA

By: Peter D. Steffen

Title: Senior Manager

Address for Notices:

Corporate Banking-East
Financial Square
New York, NY 10005-3531
Attn: Peter D. Steffen

Telecopy No. (212) 428-6459
Telephone No. (212) 428-6494

Payment Office:

Royal Bank of Canada
Financial Square
New York, NY 10005-3531
Attn: Jewel Haines, Mgr-Loan Administration
Telephone No. (212) 428-6321
Telecopy No. (212) 428-2372

Directed through our ABA System to:
Pay Chase Manhattan Bank
New York, NY
(ABA #021000021 for credit to
Acct. No. 920-1-033363)
For Account RBC New York
CHIPS: ABA 0002
Pay Chase Manhattan Bank
For Account RBC New York
UID025408
Marked RE: OFFICE DEPOT

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Revolving Loan Commitment: $28,875,000

Pro Rata Share of Revolving Loan Commitment: 10.5%

Line of Credit Commitment: -0-

Pro Rata Share of Line of Credit Commitment: 0%

[SIGNATURE PAGE TO REVOLVING CREDIT
AND LINE OF CREDIT AGREEMENT
BETWEEN SUN BANK, AS AGENT,
AND OFFICE DEPOT, INC.]

Address for Notices:	NATIONSBANK OF FLORIDA, N.A.
150 S.E. 3rd Ave., Suite 411 FL 7950-04-03 Miami, FL 33131 Attn: Bennie H. Duck, VP	By: Bennie H. Duck ------------------------ Title: Vice President ----------------------

Telecopy No. (305) 577-5745
Telephone No. (305) 577-5992

Payment Office:

NationsBank
One NationsBank Plaza
101 North Tryon Street
NC1-001-15-03
Charlotte, North Carolina 28255
Attn: Barbara Pollock

- -------------------------------------

Revolving Loan Commitment: $61,875,000

Pro Rata Share of Revolving Loan Commitment: 22.5%

Line of Credit Commitment: -0-

Pro Rata Share of Line of Credit Commitment: 0%

[SIGNATURE PAGE TO REVOLVING CREDIT
AND LINE OF CREDIT AGREEMENT
BETWEEN SUN BANK, AS AGENT,
AND OFFICE DEPOT, INC.]

Address for Notices:	PNC BANK, KENTUCKY, INC.
1950 Summit Park Drive Suite 225 Orlando, FL 32810 Attn: Mr. Jeffrey S. Horsey Vice President & Manager Telecopy No. (407) 875-1615 Telephone No. (407) 875-0004	By: Jeff Horsey -------------------------- Title: Vice President ----------------------

Payment Office:

1950 Summit Park Drive
Suite 225
Orlando, FL 32810
Attn: Mr. Jeffrey S. Horsey
Vice President & Manager

Revolving Loan Commitment: $48,125,000

Pro Rata Share of Revolving Loan Commitment: 17.5%

Line of Credit Commitment: -0-

Pro Rata Share of Line of Credit Commitment: 0%

[SIGNATURE PAGE TO REVOLVING CREDIT
AND LINE OF CREDIT AGREEMENT
BETWEEN SUN BANK, AS AGENT,
AND OFFICE DEPOT, INC.]

Address for Notices:

950 E. Paces Ferry Road
Suite 3375
Atlanta, GA 30326
Attn: Laurens F. Schaad, Jr.

Telecopy No. (404) 249-6938
Telephone No. (404) 249-6915

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By: Laurens F. Schaad, Jr.

Title: Vice President

Payment Office:

Bank of America National Trust
and Savings Association
1850 Gateway Boulevard
Concord, CA 94520
Attn: Atlanta Account Administrator

Telecopy No. (510) 675-7532 or 7531
Telephone No. (510) 675-7733

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Revolving Loan Commitment: $61,875,000

Pro Rata Share of Revolving Loan Commitment: 22.5%

Line of Credit Commitment: -0-

Pro Rata Share of Line of Credit Commitment: 0%

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF OFFICE DEPOT FOR THE YEAR ENDED JULY 1, 1995, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
U.S. DOLLARS

YEAR
DEC-30-1995
JAN-01-1995
JUL-01-1995
1
30,277
0
293,300
2,729
984,947
1,353,241
622,045
153,700
2,056,686
678,782
578,589
1,523
0
0
787,133
2,056,686
2,551,622
2,551,622
1,974,989
2,363,558
75,856
0
11,631
100,577
40,685
59,892
0
0
0
59,892
.39
0