

DOLLAR GENERAL CORP

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 6, 2006

Dollar General Corporation

(Exact Name of Registrant as Specified in Charter)

Tennessee

(State or Other Jurisdiction
of Incorporation)

001-11421

(Commission File Number)

61-0502302

(I.R.S. Employer
Identification No.)

100 Mission Ridge
Goodlettsville, Tennessee

(Address of Principal Executive Offices)

37072

(Zip Code)

Registrant's telephone number, including area code: (615) 855-4000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On April 6, 2006, Dollar General Corporation (the “Company”) entered into a 3-year Employment Agreement (effective April 1, 2006) with Beryl J. Buley, the Company’s Division President, Merchandising, Marketing & Supply Chain. This Agreement replaced the previous Employment Agreement the Company had entered into with Mr. Buley.

The new Agreement provides for:

- a minimum base salary of \$575,000;
 - a requirement that Mr. Buley repay on a prorated basis from December 1, 2005 the one-time signing bonus of \$150,000 and relocation premium of \$150,000 previously paid to him if he leaves the Company prior to December 1, 2008;
 - participation in the Company’s bonus program for officers established by the Compensation Committee of the Board of Directors, with payment based on achievement of performance criteria established in accordance with the terms and conditions of that bonus program;
 - eligibility for award grants from time-to-time consistent with the award grants made to similarly-situated officers under the Company’s 1998 Stock Incentive Plan (or a successor plan), as determined by the Compensation Committee of the Board of Directors;
 - four weeks paid vacation per year, any unused portion of which is forfeited upon termination or the annual anniversary of employment;
 - reimbursement for all reasonable business expenses in accordance with the Company’s expense reimbursement policies and procedures;
 - executive perquisites, fringe and other benefits as are provided to similarly-situated officers and their families under any of the Company’s plans or programs in effect from time to time (currently consisting primarily of company-paid medical physicals, wireless PDAs and mobile phones (primarily used for business purposes), a leased vehicle up to \$50,000 in value and fuel for the company-provided vehicle (or an equivalent cash car allowance), and participation in the Company’s relocation policy for officers, as well as benefits available in general to all salaried employees);
 - participation by the officer (and, where applicable, the officer’s eligible dependents) in the Company’s various welfare benefit plans to the extent and in accordance with the terms of those plans (currently consisting of the Company’s medical, prescription, dental, vision, group life, executive life, group disability, executive disability, accidental death and travel accident insurance plans and programs), as well as in any other benefit plan offered by the Company to similarly-situated officers or other employees (excluding plans solely applicable to certain officers in accordance with the express terms of those plans and excluding the Company’s severance plan), including the Company’s 401(k) Plan and CDP/SERP Plan;
 - severance payments (upon execution of a release of claims against the Company) upon termination by the Company without cause or by the officer for good reason, or upon the officer’s resignation within 60 days after the Company’s failure to offer to renew, extend
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or replace the Agreement before, at or within 60 days after the end of the term of the Agreement (unless that failure to renew is a result of the officer's voluntary retirement or termination) consisting of base salary continuation for 24 months, a lump sum payment equal to 2 times the officer's target incentive bonus, and a lump sum payment equal to 2 times the annual contribution made by the Company for the officer's participation in the Company's medical, dental and vision benefits program. In addition, the Company will provide the officer with outplacement services for 1 year or, if earlier, until other employment is secured.

Any unpaid severance amounts will be forfeited upon the officer's breach of any continuing obligation under the Agreement or the release. The Company's obligation to make these severance payments will not negate or reduce any amounts otherwise due but not yet paid to the officer, any other amounts payable to the officer outside the Agreement or any benefits owed under any other plan or agreement covering the officer;

- payment upon termination for cause or termination due to death or disability, which shall consist of any benefits owed under any other plan or agreement covering the officer;
- severance payments (upon execution of a release of claims against the Company) upon termination by the Company (or a successor) without cause or by the officer for good reason, each within 2 years of a change in control (as defined in the Agreement) consisting of a lump sum payment equal to 2 times the officer's base salary in effect immediately prior to the change in control plus 2 times the officer's target incentive bonus in effect immediately prior to the change in control and a lump sum payment equal to 2 times the annual contribution made by the Company for the officer's participation in the Company's medical, dental and vision benefits program. The Company will also provide the officer with outplacement services for 1 year or, if earlier, until other employment is secured. In addition, if the change in control also constitutes a change in control under the 1998 Stock Incentive Plan (or any successor plan), the awards granted to the officer under that plan will fully vest and remain exercisable in accordance with the terms of that plan. If any payment to the officer would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code or any interest or penalties are incurred by the officer with respect to that excise tax, the Company will pay a gross-up amount to cover the excise tax. However, if the net after-tax benefit to the officer of the gross-up payment is less than \$25,000 greater than the net after-tax benefit to the officer of having his or her payments reduced to an amount that would not be subject to the excise tax or the deduction limitation of Section 280G of the Internal Revenue Code, then no gross-up payment will be made and the officer's payments will be reduced accordingly;
- payment upon resignation by the officer for other than good reason, which shall consist of any benefits owed under any other plan or agreement covering the officer; and

- non-competition, non-disclosure and non-solicitation provisions designed to protect the Company in the event the officer were to leave the Company's employment.

For purposes of the Agreement, "cause" means any of the reasons below (as more fully explained in the Agreement):

- any act involving fraud or dishonesty;
- any material breach of any Securities and Exchange Commission or other law or regulation or any Company policy governing securities trading or inappropriate disclosure or "tipping";
- the carrying out of any activity or the making of any public statement by the officer, other than as required by law, that prejudices the Company or reduces the Company's good name and standing or would bring the Company into public contempt or ridicule;
- attendance at work in a state of intoxication or being found in possession of any prohibited drug or substance which would amount to a criminal offense;
- assault or other act of violence; or
- conviction of, or plea of guilty or *nolo contendere* to, any felony whatsoever or any misdemeanor that would preclude employment under the Company's hiring policy.

For purposes of the Agreement, "disability" means (as more fully described in the Agreement) a long-term disability entitling the officer to receive benefits under the Company's long-term disability plan as then in effect or the inability of the officer to perform the officer's duties under the Agreement in accordance with the Company's expectations due to a medically determinable physical or mental impairment that can reasonably be expected to result in death or has lasted or can reasonably be expected to last longer than 90 consecutive days.

For purposes of the Agreement, "good reason" means (as more fully described in the Agreement):

- assignment of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, the officer's position, titles or offices, unless the action is the result of a restructuring or realignment of duties and responsibilities by the Company for business reasons that leaves the officer at the same compensation and officer level and with a similar level of responsibility or is the result of the officer's failure to meet pre-established and objective performance criteria, all without the officer's written consent;
- a reduction in the officer's base salary or target bonus level;
- the Company's failure to continue any significant Company-sponsored compensation plan or benefit without replacing it with a similar plan or with a compensation equivalent (except for across-the-board plan changes or terminations similarly affecting at least 95% of all of the Company's executives);

- relocation of the Company's principal executive offices outside of the middle-Tennessee area or basing the officer anywhere other than the Company's principal executive offices;
- the Company's material breach of the Agreement; or
- the failure of any successor to all or substantially all of the Company's business and/or assets to assume and agree to perform the Agreement in the same manner and to the same extent as the Company would be required to perform if no succession had occurred.

The foregoing summary of the Agreement is qualified in its entirety by the full text of the Agreement that is attached hereto as Exhibit 99 and incorporated by reference as if fully set forth herein.

ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT

As discussed in Item 1.01 above (which is incorporated herein by reference), on April 6, 2006, the Company entered into a new Employment Agreement (effective April 1, 2006) with Mr. Buley. This Agreement replaced the previous Employment Agreement the Company had entered into with Mr. Buley. Accordingly, the previous Employment Agreement entered into with Mr. Buley (effective December 1, 2005) has been terminated.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of businesses acquired. N/A
- (b) Pro forma financial information. N/A
- (c) Shell company transactions. N/A
- (d) Exhibits. See Exhibit Index immediately following the signature page hereto.

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 hereunto duly authorized.

Date: April 12, 2006

DOLLAR GENERAL CORPORATION

By: /s/ Susan S. Lanigan
Susan S. Lanigan
Executive Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99	Employment Agreement with Beryl J. Buley effective April 1, 2006.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective April 1, 2006 (“Effective Date”), is made and entered into by and between **DOLLAR GENERAL CORPORATION** (the “Company”), and Beryl Buley (“Employee”).

WITNESSETH:

WHEREAS, Company desires to employ Employee upon the terms and subject to the conditions hereinafter set forth, and Employee desires to accept such employment;

NOW, THEREFORE, for and in consideration of the premises, the mutual promises, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Employment Terms

1. **Employment** . Subject to the terms and conditions of this Agreement, the Company agrees to employ Employee as EVP & Division President, Merchandising, Marketing & Supply Chain of Dollar General Corporation.
 2. **Term** . The term of this Agreement shall be until the third annual anniversary of the Effective Date (“Term”), unless otherwise terminated pursuant to Sections 7, 8, 9, 10, 11 or 12 hereof.
 3. **Position, Duties and Administrative Support** .
 - a. **Position** . Employee shall serve as EVP & Division President, Merchandising, Marketing & Supply Chain and shall perform such duties and responsibilities as Employee’s supervisor or the Company’s CEO may direct.
 - b. **Full-Time Efforts** . Employee shall perform and discharge faithfully and diligently such duties and responsibilities and shall devote Employee’s full-time efforts to the business and affairs of Company. Employee agrees to promote the best interests of the Company and to take no action that is likely to damage the public image or reputation of the Company, its subsidiaries or its affiliates.
 - c. **Administrative Support** . Employee shall be provided with office space and administrative support.
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d. No Interference With Duties . Employee shall not devote time to other activities which would inhibit or otherwise interfere with the proper performance of Employee’s duties and shall not be directly or indirectly concerned or interested in any other business occupation, activity or interest other than by reason of holding a non-controlling interest as a shareholder, securities holder or debenture holder in a corporation quoted on a nationally recognized exchange (subject to any limitations in the Company’s Code of Business Conduct and Ethics). Employee may not serve as a member of a board of directors of a for-profit company, other than the Company or any of its subsidiaries or affiliates, without the express approval of the CEO and the Nominating and Corporate Governance Committee of the Board. Under no circumstances may Employee serve on more than one other board of a for-profit company.

4. Work Standard . Employee agrees to comply with all terms and conditions set forth in this Agreement, as well as all applicable Company work policies, procedures and rules. Employee also agrees to comply with all federal, state and local statutes, regulations and public ordinances governing Employee’s performance hereunder.

5. Compensation .

a. Base Salary . Subject to the terms and conditions set forth in this Agreement, the Company shall pay Employee, and Employee shall accept an annual base salary (“Base Salary”) of no less than Five Hundred and Seventy-Five Thousand Dollars (\$575,000). The Base Salary shall be paid in accordance with Company’s normal payroll practices and may be increased from time to time at the sole discretion of the Company.

b. Incentive Bonus . Employee’s incentive compensation for the Term of this Agreement shall be determined under the Company’s bonus program for officers, as it may be amended from time to time. The actual bonus paid pursuant to this Section 5(b), if any, shall be based on criteria established by the Compensation Committee and/or the CEO, as applicable, in accordance with the terms and conditions of the bonus program for officers.

c. Stock Based Compensation . Employee shall be eligible for award grants from time to time consistent with the award grants made to similarly-situated officers of the Company as governed by the terms of the 1998 Employee Stock Incentive Plan, as may be amended, or any successor plan thereof (the “Stock Plan”), as determined in the sole discretion of the Compensation Committee.

d. Vacation . Employee shall be entitled to three weeks paid vacation time within the first year of employment. After five years of employment, Employee shall be entitled to four weeks paid vacation. Vacation time is granted on the anniversary of Employee's hire date each year. Any available but unused vacation as of the annual anniversary of employment date or at Employee's termination date shall be forfeited.

e. Business Expenses . Employee shall be reimbursed for all reasonable business expenses incurred in carrying out the work hereunder. Employee shall adhere to the Company's expense reimbursement policies and procedures.

f. Perquisites . Employee shall be entitled to receive such other executive perquisites, fringe and other benefits as are provided to similarly-situated officers and their families under any of the Company's plans and/or programs in effect from time to time.

6. Benefits . During the Term, Employee (and, where applicable, Employee's eligible dependents) shall be eligible to participate in those various Company welfare benefit plans, practices and policies in place during the Term, if any, (including, without limitation, medical, prescription, dental, vision, disability, employee life, accidental death and travel accident insurance plans and programs, if any) to the extent and in accordance with the terms of those plans. In addition, Employee shall be eligible to participate, pursuant to their terms, in any other benefit plans offered by the Company to similarly-situated officers or other employees during the Term (excluding plans applicable solely to certain officers of the Company in accordance with the express terms of such plans), including, without limitation, the 401(k) Retirement and Savings Plan and CDP/SERP Plan. Collectively the plans and arrangements described in this Section 6 and as they may be amended or modified in accordance with their terms are hereinafter referred to as the "Benefits Plans." Notwithstanding the above, Employee understands and acknowledges that Employee is not eligible for benefits under the Dollar General Corporation Severance Plan and that the only severance benefits Employee is entitled to are set forth in this Agreement.

7. Termination for Cause . This Agreement may be terminated at any time by either party, with or without cause. If this Agreement is terminated by Company for "Cause" (Termination for Cause) as that term is defined below, it will be without any liability owing to Employee or Employee's dependents and beneficiaries under this Agreement, except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such

plan or agreement. Any one of the following conditions or Employee conduct shall constitute “Cause”:

- a. Any act involving fraud or dishonesty;
- b. Any material breach of any SEC or other law or regulation or any Company policy governing trading or dealing with stocks, securities, investments and the like or with inappropriate disclosure or “tipping” relating to any stock, security or investment;
- c. Other than as required by law, the carrying out of any activity or the making of any public statement which prejudices or reduces the good name and standing of Company or any of its affiliates or would bring any one of these into public contempt or ridicule;
- d. Attendance at work in a state of intoxication or being found with any drug or substance possession of which would amount to a criminal offense;
- e. Assault or other act of violence; or
- f. Conviction of or plea of guilty or *nolo contendere* to any felony whatsoever or any misdemeanor that would preclude employment under the Company’s hiring policy.

A termination for Cause shall be effective when the Company has given Employee written notice of its intention to terminate for Cause, describing those acts or omissions that are believed to constitute Cause, and has given Employee an opportunity to respond.

8. Termination upon Death. Notwithstanding anything herein to the contrary, this Agreement shall terminate immediately upon Employee’s death, and the Company shall have no further liability to Employee or Employee’s dependents and beneficiaries under this Agreement, except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement.

9. Disability. If a Disability (as defined below) of Employee occurs during the Term, unless otherwise prohibited by law, the Company may notify Employee of the Company’s intention to terminate Employee’s employment. In that event, employment shall terminate effective on the termination date provided in such notice of termination (the “Disability Effective Date”), and this Agreement shall terminate without further liability to Employee, Employee’s dependents and beneficiaries, except for those benefits owed under any other plan or agreement covering Employee

which shall be governed by the terms of such plan or agreement. In this Agreement, “Disability” means:

a. A long-term disability, as defined in the Company’s applicable long-term disability plan as then in effect, if any; or

b. Employee’s inability to perform the duties under this Agreement in accordance with the Company’s expectations because of a medically determinable physical or mental impairment that (i) can reasonably be expected to result in death or (ii) has lasted or can reasonably be expected to last longer than ninety (90) consecutive days.

Under this provision 9(b), unless otherwise required by law, the existence of a Disability shall be determined by the Company, only upon receipt of a written medical opinion from a qualified physician selected by or acceptable to the Company. In this circumstance, to the extent permitted by law, Employee shall, if reasonably requested by the Company, submit to a physical examination by that qualified physician. Nothing in this subsection (b) is intended to nor shall it be deemed to broaden or modify the definition of “disability” in the Company’s long-term disability plan.

10. Employee’s Termination of Employment .

a. Notwithstanding anything herein to the contrary, Employee may terminate employment and this Agreement at any time, for no reason, with thirty (30) days written notice to Company. Upon such termination, Employee shall be entitled to prorata Base Salary through the date of termination and such other vested benefits under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. Employee shall not be entitled to those payments and benefits listed in Sections 11 or 12 below, unless Employee terminates employment for Good Reason, as defined below.

b. Good Reason shall mean any of the following actions taken by the Company:

(i) A reduction by the Company in Employee’s Base Salary or target bonus level;

(ii) The Company shall fail to continue in effect any significant Company-sponsored compensation plan or benefit (without replacing it with a similar plan or with a compensation equivalent), unless such action is in connection with

across-the-board plan changes or terminations similarly affecting at least ninety-five percent (95%) of all executive employees of the Company;

(iii) The Company's principal executive offices shall be moved to a location outside the middle-Tennessee area, or Employee is required to be based anywhere other than the Company's principal executive offices;

(iv) Without Employee's written consent, the assignment to Employee by the Company of duties inconsistent with, or the significant reduction of the title, powers and functions associated with, Employee's position, titles or offices as described in Section 3 above, unless such action is the result of a restructuring or realignment of duties and responsibilities by the Company, for business reasons, that leaves Employee at the same compensation and officer level (i.e., Vice President, Senior Vice President, or Executive Vice President, etc.) and with a similar level of responsibility, or unless such action is the result of Employee's failure to meet pre-established and objective performance criteria;

(v) Any material breach by the Company of this Agreement; or

(vi) The failure of any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Good Reason shall not include Employee's death, Disability or Termination for Cause. The Company shall have the opportunity to cure any claimed event of Good Reason within thirty (30) days after receiving written notice from Employee specifying the same.

11. Termination without Cause or by Employee for Good Reason .

a. The continuation of Base Salary and other payments and benefits described in section 11(b) shall be triggered *only* upon one or more of the following circumstances:

(i) The Company terminates Employee (as it may do at any time) without Cause; it being understood that termination by death or Disability does not constitute termination without Cause;

(ii) Employee terminates for Good Reason;

(iii) The Company fails to offer to renew, extend or replace this Employment Agreement before, at, or within sixty (60) days after, the end of its Term and Employee resigns from employment with the Company within sixty (60) days after such failure, unless such failure is accompanied by a mutually agreeable severance arrangement between the Company and Employee or is the result of Employee's voluntary retirement or termination from the Company.

b. In the event of one of the triggers referenced in subsections 11(a)(i) through (iii) above, then, upon the execution and effective date of the Release attached hereto and made a part hereof and in lieu of and not in addition to the payments referenced in Section 12 below, Employee shall be entitled to the following:

(i) Continuation of Employee's Base Salary as of the date immediately preceding the termination for 24 months, payable in accordance with the Company's normal payroll cycle and procedures.

(ii) Lump sum payment of two times Employee's target incentive bonus then in effect;

(iii) A lump sum payment in an amount equal to two times the annual contribution made by the Company for Employee's participation in the Company's medical, dental and vision benefits program.

(iv) Outplacement services, provided by the Company, for one year or until other employment is secured, whichever comes first.

Unless otherwise permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), with regard to any payment or benefit under this Section 11 which is nonqualified deferred compensation covered by Section 409A of the Internal Revenue Code, no such payment or benefit shall be provided to Employee pursuant to this Section if the Release attached hereto is not provided to the Company, without revocation thereof, no later than forty-five (45) days after Employee's termination date; and no payment or benefit hereunder shall be provided to Employee prior to the Company's receipt of the Release and the expiration of the period of revocation provided in the Release.

c. In the event that there is a material breach by Employee of any continuing obligations under this Agreement or the Release after termination of employment, any unpaid

amounts under this Section 11 shall be forfeited. Any payments or reimbursements under this Section 11 shall not be deemed the continuation of Employee's employment for any purpose. Except as specifically enumerated in the Release, the Company's payment obligations under this Section 11 will not negate or reduce (i) any amounts otherwise due but not yet paid to Employee by the Company, or (ii) any other amounts payable to Employee outside this Agreement, or (iii) those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. Subject to any applicable prohibition on acceleration of payment under Section 409A of the Internal Revenue Code, the Company may, at any time and in its sole discretion, make a lump-sum payment of all amounts, or all remaining amounts, due to Employee under this Section 11.

12. Effect of Change in Control.

a. If within two (2) years following a Change in Control (as hereinafter defined), the Company (or any successor to the Company) terminates Employee's employment without Cause or Employee terminates for Good Reason, then upon the execution and the effectiveness of the Release attached hereto and made a part hereof, the Company shall pay to Employee (in lieu of the payments referenced in Section 11 above and not in addition to):

(i) A lump sum payment equal to two times Employee's Base Salary in effect immediately prior to the Change in Control plus two times the amount of Employee's target incentive bonus payment in effect immediately prior to the Change in Control;

(ii) A lump sum payment in an amount equal to two times the annual contribution made by Company for Employee's participation in the Company's medical, dental and vision benefits program;

(iii) Outplacement services, provided by the Company, for one year or until other employment is secured, whichever comes first; and

(iv) If such Change in Control also constitutes a change in control under the Stock Plan, Employee's awards, if any, granted pursuant to that plan shall fully vest and shall remain exercisable in accordance with the terms of that plan.

Unless otherwise permitted by Section 409A of the Internal Revenue Code for any payment or benefit hereunder which is nonqualified deferred compensation covered by Section 409A

of the Internal Revenue Code, no such payment or benefit shall be provided to Employee pursuant to this Section if the Release attached hereto is not provided to the Company, without revocation thereof, no later than forty-five (45) days after Employee's termination date; and no payment or benefit hereunder shall be provided to Employee prior to the Company's receipt of the Release and the expiration of the period of revocation therefore.

b. Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined as provided below that any payment or distribution by the Company to or for the benefit of Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 12(b)) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code or any interest or penalties are incurred by Employee with respect to such excise tax (collectively referred to as the "Excise Tax"), then Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after Employee pays all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any Excise, income or other tax (and any interest and penalties imposed with respect thereto), Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing, if the Net After-tax Benefit to Employee resulting from receiving the Gross-Up Payment is less than \$25,000 greater than the Net After-tax Benefit to Employee resulting from having the Payments reduced to the Reduced Amount, then no Gross-Up Payment shall be made and the Payments shall be reduced to the Reduced Amount. For purposes hereof:

(v) "Net After-tax Benefit" shall mean the Present Value of a Payment net of all taxes (including any Excise Tax imposed on Employee) with respect thereto, determined by applying the highest marginal rate(s) applicable to an individual for Employee's taxable year in which the Change in Control occurs.

(vi) "Present Value" shall mean such value determined in accordance with Section 280G(d)(4) of the Internal Revenue Code.

(vii) "Reduced Amount" shall be an amount expressed as a Present Value which maximizes the aggregate Present Value of Payments without causing any

Payment to be subject to excise tax under Section 4999 of the Internal Revenue Code or the deduction limitation of Section 280G of the Internal Revenue Code.

Unless Employee and the Company shall otherwise agree (provided such agreement does not cause any payment or benefit hereunder which is nonqualified deferred compensation covered by Section 409A of the Internal Revenue Code to be in non-compliance with Section 409A of the Internal Revenue Code), in the event the Payments are to be reduced, the Company shall reduce or eliminate the Payments to Employee by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Change in Control Date. Any reduction pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing Employee's rights and entitlements to any benefits or compensation.

c. All determinations required to be made under this Section 12, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be used in arriving at such determination, shall be made by the tax department of an independent public accounting firm (the "Accounting Firm") which shall be engaged by the Company prior to the time of the first Payment to Employee. The Accounting Firm selected shall not be serving as accountant or auditor for the individual, entity or group effecting the Change in Control. The Accounting Firm shall prepare and provide detailed supporting calculations both to the Company and Employee within fifteen (15) business days of the later of (i) the Accounting Firm's engagement to make the required calculations or (ii) the date the Accounting Firm obtains all information needed to make the required calculation. Any determination by the Accounting Firm shall be binding upon the Company and Employee. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

d. Any Gross-Up Payment, as determined pursuant to this Section 12, shall be paid by the Company to Employee within five (5) days of the receipt of the Accounting Firm's determination if the Payment is then required to satisfy an assessment or other current demand for payment made of Employee by federal or state taxing authorities. Gross-Up Payments due at a later date shall be paid to Employee no later than fourteen (14) days prior to the date that Employee's federal or state payment is due. If required by law, the Company

shall treat all or any portion of the Gross-Up Payment as being subject to income tax withholding for federal or state tax purposes. Amounts determined by the Company to be subject to federal or state tax withholding will not be paid directly to Employee but shall be timely paid to the respective taxing authority.

e. As a result of the uncertainty in the application of Section 4999 of the Internal Revenue Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (“Underpayment”), consistent with the calculations required to be made hereunder. In the event that Employee hereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company (or any successor or assign) to or for the benefit of Employee. Conversely, if it is later determined that the actual required Gross-Up Payment was less than the amount paid to Employee, Employee shall refund the excess portion to the Company but only to the extent that Employee has not yet paid the excess amount to the taxing authorities or is able to obtain a refund from the respective taxing authorities of amounts previously paid. The Company may pursue at its own expense the refund on behalf of Employee, and, if requested by the Company, Employee shall reasonably cooperate in such refund effort.

f. “Change in Control” shall mean the date as of which any of the following occurs:

(i) Any person or entity, including a “group” as defined in Section 13(d)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), other than the Company or a wholly-owned subsidiary or affiliate thereof that the Company controls or any employee benefit plan or related trust of or sponsored by the Company or any of its subsidiaries or affiliates, becomes the beneficial owner (“Beneficial Owner”), within the meaning of Rule 13d-3 promulgated under the Exchange Act, of the Company’s securities having 35% or more of the combined voting power of the then outstanding securities of the Company that may be cast for the election of directors of the Company (other than as a result of an issuance of securities initiated by the Company in the ordinary course of business); or

(ii) As the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sales of assets or contested election, or

any combination of the foregoing transactions, less than 65% of the combined voting power of the then outstanding securities of the Company or any successor corporation or entity entitled to vote generally in the election of the directors of the Company or such other corporation or entity after such transaction is held in the aggregate by the holders of the Company's securities entitled to vote generally in the election of directors of the Company immediately prior to such transaction; or

(iii) Individuals who at the Effective Date constitute the Board cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election, by the Company's shareholders of a director of the Company subsequent to the Effective Date was approved by a vote of at 75% of the directors of the Company then still in office who were directors of the Company at the Effective Date (those who were members at the Effective Date and those so elected together constituting the "Incumbent Board"). Notwithstanding the foregoing, no individual who shall become a member of the Board of Directors subsequent to the Effective Date whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the regulations promulgated under the Exchange Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act other than the Board of Directors shall be deemed a member of the Incumbent Board.

(iv) The following acquisitions of Voting Securities of the Company shall not constitute a Change in Control:

(A) any acquisition directly from the Company;

(B) any acquisition by Employee or a group within the meaning of Section 14(d) of the Exchange Act that includes Employee

13. Publicity; No Disparaging Statement . Except as otherwise provided in Section 14 hereof, Employee and the Company covenant and agree that they shall not engage in any communications to persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

14. Confidentiality and Legal Process . Employee agrees to keep the proprietary terms, of this Agreement confidential and to refrain from disclosing any information concerning this Agreement to any one other than Employee's immediate family and personal agents or advisors. Notwithstanding the foregoing, nothing in this Agreement is intended to prohibit Employee or the Company from performing any duty or obligation that shall arise as a matter of law. Specifically, Employee and the Company shall continue to be under a duty to truthfully respond to any legal and valid subpoena or other legal process. This Agreement is not intended in any way to proscribe Employee's or the Company's right and ability to provide information to any federal, state or local agency in response or adherence to the lawful exercise of such agency's authority.

15. Business Protection Provision Definitions .

a. Preamble . As a material inducement to the Company to enter into this Agreement, and in recognition of the valuable experience, knowledge and proprietary information Employee has gained or will gain while employed, Employee agrees to abide by and adhere to the business protection provisions in Sections 15, 16, 17, 18 and 19 herein.

b. Definitions . For purposes of Sections 15, 16, 17, 18, 19 and 20 herein:

(i) "Competitive Position" shall mean any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between Employee and (x) any person or Entity engaged wholly or in material part in the business in which the Company is engaged (i.e., the deep discount consumable basics retail business), including but not limited to such other similar businesses as Wal-Mart, Target, K-Mart, Walgreen's, Rite-Aid, CVS, Family Dollar Stores, Fred's, the 99 Cents Stores and Dollar Tree Stores, or (y) any person or Entity then attempting or planning to enter the deep discount consumable basics retail business, whereby Employee is required to perform services on behalf of or for the benefit of such person or Entity which are substantially similar to the services Employee provided or directed at any time while employed by the Company or any of its affiliates.

(ii) "Confidential Information" shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the Company, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to the Company and the

details of which are not generally known to the competitors of the Company. Confidential Information shall also include any items marked “CONFIDENTIAL” or some similar designation or which are otherwise identified as being confidential.

(iii) “Entity” or “Entities” shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(iv) “Restricted Period” shall mean two (2) years following Employee’s termination date.

(v) “Territory” shall include those states in which the Company maintains stores at Employee’s termination date or those states in which the Company has specific and demonstrable plans to open stores within six months of Employee’s termination date.

(vi) “Trade Secrets” shall mean information or data of or about the Company, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans or lists of actual or potential customers or suppliers that: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and (C) any other information which is defined as a “trade secret” under applicable law.

(vii) “Work Product” shall mean all tangible work product, property, data, documentation, “know-how,” concepts or plans, inventions, improvements, techniques and processes relating to the Company that were conceived, discovered, created, written, revised or developed by Employee while employed by the Company.

16. Nondisclosure: Ownership of Proprietary Property.

a. In recognition of the Company’s need to protect its legitimate business interests, Employee hereby covenants and agrees that, for the Term and thereafter (as described below), Employee shall regard and treat Trade Secrets and Confidential Information as strictly confidential and wholly-owned by the Company and shall not, for any

reason, in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, misappropriate or otherwise communicate any Trade Secrets or Confidential Information to any person or Entity for any purpose other than in accordance with Employee's duties under this Agreement or as required by applicable law. This provision shall apply to each item constituting a Trade Secret at all times it remains a "trade secret" under applicable law and shall apply to any Confidential Information, during employment and for the Restricted Period thereafter.

b. Employee shall exercise best efforts to ensure the continued confidentiality of all Trade Secrets and Confidential Information and shall immediately notify the Company of any unauthorized disclosure or use of any Trade Secrets or Confidential Information of which Employee becomes aware. Employee shall assist the Company, to the extent reasonably requested, in the protection or procurement of any intellectual property protection or other rights in any of the Trade Secrets or Confidential Information.

c. All Work Product shall be owned exclusively by the Company. To the greatest extent possible, any Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. § 101 et seq., as amended), and Employee hereby unconditionally and irrevocably transfers and assigns to the Company all right, title and interest Employee currently has or may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks (and the goodwill associated therewith), trade secrets, service marks (and the goodwill associated therewith) and other intellectual property rights. Employee agrees to execute and deliver to the Company any transfers, assignments, documents or other instruments which the Company may deem necessary or appropriate, from time to time, to protect the rights granted herein or to vest complete title and ownership of any and all Work Product, and all associated intellectual property and other rights therein, exclusively in the Company.

17. Non-Interference with Employees. Through employment and thereafter through the Restricted Period, Employee will not, either directly or indirectly, alone or in conjunction with any other person or Entity: actively recruit, solicit, attempt to solicit, induce or attempt to induce any person who is an exempt employee of the Company or any of its subsidiaries or affiliates to leave or cease such employment for any reason whatsoever;

18. Non-Interference with Business Relationships .

a. Employee acknowledges that, in the course of employment, Employee will learn about Company's business, services, materials, programs and products and the manner in which they are developed, marketed, serviced and provided. Employee knows and acknowledges that the Company has invested considerable time and money in developing its product sales and real estate development programs and relationships, vendor and other service provider relationships and agreements, store layouts and fixtures, and marketing techniques and that those things are unique and original. Employee further acknowledges that the Company has a strong business reason to keep secret information relating to Company's business concepts, ideas, programs, plans and processes, so as not to aid Company's competitors. Accordingly, Employee acknowledges and agrees that the protection outlined in (b) below is necessary and reasonable.

b. During the Restricted Period, Employee will not, on Employee's own behalf or on behalf of any other person or Entity, solicit, contact, call upon, or communicate with any person or entity or any representative of any person or entity who has a business relationship with Company and with whom Employee had contact while employed, if such contact or communication would likely interfere with Company's business relationships or result in an unfair competitive advantage over Company.

19. Agreement Not to Work in Competitive Position . Employee covenants and agrees not to accept, obtain or work in a Competitive Position within the Territory for the Restricted Period.

20. Acknowledgements Regarding Sections 15 – 19.

a. Employee and Company expressly covenant and agree that the scope, territorial, time and other restrictions contained in Sections 15 through 19 of this Agreement constitute the most reasonable and equitable restrictions possible to protect the business interests of the Company given: (i) the business of the Company; (ii) the competitive nature of the Company's industry; and (iii) that Employee's skills are such that Employee could easily find alternative, commensurate employment or consulting work in Employee's field which would not violate any of the provisions of this Agreement.

b. Employee acknowledges that the compensation and benefits described in Sections 5, 11 and 12 are also in consideration of his/her covenants and agreements contained in Sections 15 through 19 hereof.

c. Employee acknowledges and agrees that a breach by Employee of the obligations set forth in Sections 15 through 19 will likely cause Company irreparable injury and that, in such event, the Company shall be entitled to injunctive relief in addition to such other and further relief as may be proper.

d. The parties agree that if, at any time, a court of competent jurisdiction determines that any of the provisions of Section 15 through 19 are unreasonable under Tennessee law as to time or area or both, the Company shall be entitled to enforce this Agreement for such period of time or within such area as may be determined reasonable by such court.

21. Return of Materials . Upon Employee's termination, Employee shall return to the Company all written, electronic, recorded or graphic materials of any kind belonging or relating to the Company or its affiliates, including any originals, copies and abstracts in Employee's possession or control.

22. General Provisions .

a. Amendment . This Agreement may be amended or modified only by a writing signed by both of the parties hereto.

b. Binding Agreement . This Agreement shall inure to the benefit of and be binding upon Employee, his/her heirs and personal representatives, and the Company and its successors and assigns.

c. Waiver Of Breach; Specific Performance . The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other breach. Each of the parties to this Agreement will be entitled to enforce this Agreement, specifically, to recover damages by reason of any breach of this Agreement, and to exercise all other rights existing in that party's favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief to enforce or prevent any violations of the provisions of this Agreement.

d. Unsecured General Creditor . The Company shall neither reserve nor specifically set aside funds for the payment of its obligations under this Agreement, and such obligations shall be paid solely from the general assets of the Company.

e. No Effect On Other Arrangements . It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Employee may be entitled or for which Employee may be eligible.

f. Tax Withholding . There shall be deducted from each payment under this Agreement the amount of any tax required by any governmental authority to be withheld and paid over by the Company to such governmental authority for the account of Employee.

g. Notices .

(i) All notices and all other communications provided for herein shall be in writing and delivered personally to the other designated party, or mailed by certified or registered mail, return receipt requested, or delivered by a recognized national overnight courier service, or sent by facsimile, as follows:

If to Company to: Dollar General Corporation
Attn: General Counsel
100 Mission Ridge
Goodlettsville, TN 37072-2171
Facsimile: (615)855-5180

If to Employee to: (Last address of Employee
known to Company unless
otherwise directed in writing by Employee)

(ii) All notices sent under this Agreement shall be deemed given twenty-four (24) hours after sent by facsimile or courier, seventy-two (72) hours after sent by certified or registered mail and when delivered if by personal delivery.

(iii) Either party hereto may change the address to which notice is to be sent hereunder by written notice to the other party in accordance with the provisions of this Section.

h. Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee (without giving effect to conflict of laws).

i. Entire Agreement. This Agreement contains the full and complete understanding of the parties hereto with respect to the subject matter contained herein and, unless specifically provided herein, this Agreement supersedes and replaces any prior agreement, either oral or written, which Employee may have with Company that relates generally to the same subject matter.

j. Assignment. This Agreement may not be assigned by Employee, and any attempted assignment shall be null and void and of no force or effect.

k. Severability. If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.

l. Section Headings. The Section headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

m. Voluntary Agreement. Employee and Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

n. Nonqualified Deferred Compensation Omnibus Provision. It is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be nonqualified deferred compensation subject to Section 409A of the Internal Revenue Code shall be paid and provided in a manner, and at such time and in such form, as complies with the applicable requirements of Section 409A of the Internal Revenue Code to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting such compliance with Section 409A of the Internal Revenue Code, the following shall apply:

(i) Notwithstanding any other provision of this Agreement, the Company is authorized to amend this Agreement, to void or amend any election made by

Employee under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by it to be necessary or appropriate to comply, or to evidence or further evidence required compliance, with Section 409A of the Internal Revenue Code (including any transition or grandfather rules thereunder).

(ii) Neither Employee nor the Company shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any manner which would not be in compliance with Section 409A of the Internal Revenue Code (including any transition or grandfather rules thereunder). Notwithstanding the foregoing:

(A) Payment may be delayed for a reasonable period in the event the payment is not administratively practical due to events beyond the recipient's control such as where the recipient is not competent to receive the benefit payment, there is a dispute as to amount due or the proper recipient of such benefit payment, additional time is needed to calculate the amount payable, or the payment would jeopardize the solvency of the Company.

(B) Payments shall be delayed in the following circumstances: (1) where the Company reasonably anticipates that the payment will violate the terms of a loan agreement to which the Company is a party and that the violation would cause material harm to the Company; or (2) where the Company reasonably anticipates that the payment will violate Federal securities laws or other applicable laws; provided that any payment delayed by operation of this clause (B) will be made at the earliest date at which the Company reasonably anticipates that the payment will not be limited or cause the violations described.

(iii) If Employee is a specified employee of a publicly traded corporation as required by Section 409A(a)(2)(B)(i) of the Internal Revenue Code, any payment or provision of benefits in connection with a separation from service payment event (as determined for purposes of Section 409A of the Internal Revenue Code) shall not be made until six months after Employee's separation from service (the "409A Deferral Period"). In the event such payments are otherwise due to be made in

installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Employee's expense, with Employee having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled.

(iv) If a Change in Control occurs but the Change in Control does not constitute a change in ownership of the Company or in the ownership of a substantial portion of the assets of the Company as provided in Section 409A(a)(2)(A)(v) of the Internal Revenue Code, then payment of any amount or provision of any benefit under this Agreement which is considered to be nonqualified deferred compensation subject to Section 409A of the Internal Revenue Code shall be deferred until another permissible payment event contained in Section 409A of the Internal Revenue Code occurs (e.g., death, disability, separation from service from the Company and its affiliated companies as defined for purposes of Section 409A of the Internal Revenue Code), including any deferral of payment or provision of benefits for the 409A Deferral Period as provided above.

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute this Agreement to be effective as of the Effective Date.

DOLLAR GENERAL CORPORATION

By: /s/ Challis M. Lowe

Its: EVP—Human Resources

Date: April 6, 2006

“EMPLOYEE”

/s/ Beryl J. Buley

Beryl Buley

Date: April 6, 2006

Witnessed By: /s/ Brenda Mosley

RELEASE AGREEMENT

THIS RELEASE (“Release”) is made and entered into by and between _____ (“Employee”) and **DOLLAR GENERAL CORPORATION**, and its successor or assigns (“Company”).

WHEREAS, Employee and Company have agreed that Employee’s employment with Dollar General Corporation shall terminate on _____;

WHEREAS, Employee and the Company have previously entered into that certain Employment Agreement, effective _____ (“Agreement”), in which the form of this Release is incorporated by reference;

WHEREAS, Employee and Company desire to delineate their respective rights, duties and obligations attendant to such termination and desire to reach an accord and satisfaction of all claims arising from Employee’s employment, and termination of employment, with appropriate releases, in accordance with the Agreement;

WHEREAS, the Company desires to compensate Employee in accordance with the Agreement for service Employee has provided and/or will provide for the Company;

NOW, THEREFORE, in consideration of the premises and the agreements of the parties set forth in this Release, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

1. Claims Released Under This Agreement .

In exchange for receiving the benefits described in Section 11 or 12 of the Agreement, Employee hereby voluntarily and irrevocably waives, releases, dismisses with prejudice, and withdraws all claims, complaints, suits or demands of any kind whatsoever (whether known or unknown) which Employee ever had, may have, or now has against Company and other current or former subsidiaries or affiliates of the Company and their past, present and future officers, directors, employees, agents, insurers and attorneys (collectively, the “Releasees”), arising from or relating to

(directly or indirectly) Employee's employment or the termination of employment or other events that have occurred as of the date of execution of this Agreement, including but not limited to:

- a. claims for violations of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, 42 U.S.C. § 1981, the Sarbanes Oxley Act of 2002, the National Labor Relations Act, the Labor Management Relations Act, Executive Order 11246, Executive Order 11141, the Rehabilitation Act of 1973, or the Employee Retirement Income Security Act;
- b. claims for violations of any other federal or state statute or regulation or local ordinance;
- c. claims for lost or unpaid wages, compensation, or benefits, defamation, intentional or negligent infliction of emotional distress, assault, battery, wrongful or constructive discharge, negligent hiring, retention or supervision, fraud, misrepresentation, conversion, tortious interference, breach of contract, or breach of fiduciary duty;
- d. claims to benefits under any bonus, severance, workforce reduction, early retirement, outplacement, or any other similar type plan sponsored by the Company (except for those benefits owed under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement); or
- e. any other claims under state law arising in tort or contract.

2. Claims Not Released Under This Agreement .

In signing this Release, Employee is not releasing any claims that may arise under the terms of this Release or which may arise out of events occurring after the date Employee executes this Release.

Employee also is not releasing claims to benefits that Employee is already entitled to receive under any other plan or agreement covering Employee which shall be governed by the terms of such plan or agreement. However, Employee understands and acknowledges that nothing herein is intended to or shall be construed to require the Company to institute or continue in effect any particular plan or benefit sponsored by the Company, and the Company hereby reserves the right to amend or terminate any of its benefit programs at any time in accordance with the procedures set forth in such plans.

Nothing in this Release shall prohibit Employee from engaging in activities required or protected under applicable law or from communicating, either voluntarily or otherwise, with any governmental agency concerning any potential violation of the law.

3. **No Assignment of Claim** . Employee represents that Employee has not assigned or transferred, or purported to assign or transfer, any claims or any portion thereof or interest therein to any party prior to the date of this Release.

4. **Compensation** . In accordance with the Agreement, the Company agrees to pay Employee or, if Employee becomes eligible for payments under Section 11 or 12 but dies before receipt thereof, Employee's spouse or estate, as the case may be, the amount provided in Section 11 or 12 of the Agreement.

5. **Publicity; No Disparaging Statement** . Except as otherwise provided in Section 14 of the Agreement, Section 2 of this Release, and as privileged by law, Employee and the Company covenant and agree that they shall not engage in any communications with persons outside the Company which shall disparage one another or interfere with their existing or prospective business relationships.

6. **No Admission Of Liability** . This Release shall not in any way be construed as an admission by the Company or Employee of any improper actions or liability whatsoever as to one another, and each specifically disclaims any liability to or improper actions against the other or any other person.

7. **Voluntary Execution** . Employee warrants, represents and agrees that Employee has been encouraged in writing to seek advice regarding this Release from an attorney and tax advisor prior to signing it; that this Release represents written notice to do so; that Employee has been given the opportunity and sufficient time to seek such advice; and that Employee fully understands the meaning and contents of this Release. Employee further represents and warrants that Employee was not coerced, threatened or otherwise forced to sign this Release, and that Employee's signature appearing hereinafter is voluntary and genuine. EMPLOYEE UNDERSTANDS THAT EMPLOYEE MAY TAKE UP TO TWENTY-ONE (21) DAYS TO CONSIDER WHETHER TO ENTER INTO THIS RELEASE.

8. **Ability to Revoke Agreement** . EMPLOYEE UNDERSTANDS THAT THIS RELEASE MAY BE REVOKED BY EMPLOYEE BY NOTIFYING THE COMPANY IN WRITING OF SUCH REVOCATION WITHIN SEVEN (7) DAYS OF EMPLOYEE'S

EXECUTION OF THIS RELEASE AND THAT THIS RELEASE IS NOT EFFECTIVE UNTIL THE EXPIRATION OF SUCH SEVEN (7) DAY PERIOD. EMPLOYEE UNDERSTANDS THAT UPON THE EXPIRATION OF SUCH SEVEN (7) DAY PERIOD THIS RELEASE WILL BE BINDING UPON EMPLOYEE AND EMPLOYEE'S HEIRS, ADMINISTRATORS, REPRESENTATIVES, EXECUTORS, SUCCESSORS AND ASSIGNS AND WILL BE IRREVOCABLE.

Acknowledged and Agreed To:

"COMPANY"

DOLLAR GENERAL CORPORATION

By: _____

Its: _____

I UNDERSTAND THAT BY SIGNING THIS RELEASE, I AM GIVING UP RIGHTS I MAY HAVE. I UNDERSTAND THAT I DO NOT HAVE TO SIGN THIS RELEASE.

"EMPLOYEE"

Date _____

WITNESSED BY:

Date _____

ADDENDUM TO EMPLOYMENT AGREEMENT
Effective April 1, 2006

Beryl Buley

This document is intended to be and shall be deemed an Addendum to the Employment Agreement, effective April 1, 2006, between Dollar General Corporation and Beryl Buley. This Addendum sets forth additional terms of the Employment Agreement as follows:

- Signing Bonus of \$150,000 (before taxes) will be repayable on a prorated basis to the company if you leave Dollar General within the initial contract period of 3 years from date of hire.
- Bonus payable in April, 2006 will be guaranteed at target level (65% of base) prorated for the equivalent of 6 months of eligibility (\$186,875).
- Relocation premium of \$150,000 (before taxes) will be repayable on a prorated basis to the company if you leave Dollar General within the initial contract period of 3 years from date of hire.
- Relocation - Up to 6 months lodging for Temporary Living from date of hire.
- Relocation – Moving of personal goods from Chicago and Storage up to 90 days.
- Relocation – Homesale Assistance on Chicago residence.
- Relocation – Closing cost on new home.
- 4 weeks vacation eligible within first year of employment.

So agreed this 6th day of April, 2006

/s/ Beryl J. Buley

Employee

/s/ Challis M. Lowe

Dollar General Corporation