DOLLAR GENERAL CORP

FORM 8-K
(Unscheduled Material Events)

Filed 8/23/1994 For Period Ending 8/22/1994

Address	100 MISSION RIDGE
	GOODLETTSVILLE, Tennessee 37072
Telephone	615-855-4000
CIK	0000029534
Industry	Retail (Specialty)
Sector	Services
Fiscal Year	01/31

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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): August 22, 1994

DOLLAR GENERAL CORPORATION

(Exact name of registrant as specified in its charter)

Kentucky	0-4769	61-0502302
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

104 Woodmont Blvd., Suite 500, Nashville, TN	37205
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (615) 783-2000

Not Applicable

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

Item 5. Other Events

On August 22, 1994, Dollar General Corporation (the "Company") announced the issuance of 1,715,742 shares of a newly authorized series of convertible junior preferred stock, as approved by the Board of Directors. The shares of Series A Convertible Junior Preferred Stock were issued in exchange for the 8,578,710 shares of Dollar General Common Stock, $.50 par value per share, owned by C.T.S., Inc., a personal holding company ("C.T.S.") controlled by members of the Turner family (founders of the Company). The exchange, negotiated and recommended by a special committee of independent directors of the Company's Board of Directors, came in response to a request from C.T.S. to consider a transaction which meets certain estate planning needs of the Turner family. In connection with the exchange, the Board of Directors obtained an opinion from its financial advisor that the exchange is fair, from a financial point of view, to the stockholders of the Company.

The Articles of Amendment to the Restated Articles of Incorporation setting forth the terms, rights and conditions of the Series A Convertible Junior Preferred Stock were approved by the Board of Directors and designated from the undesignated preferred stock previously authorized by the Company's stockholders. The transaction was effected through an Exchange Agreement dated August 22, 1994 by and among the Company, Dolgencorp, Inc., a wholly owned subsidiary of the Company, C.T.S. and the shareholders of C.T.S. The terms and conditions of the exchange, the rights and preferences of the Series A Convertible Junior Preferred Stock and the certain limited registration rights for the underlying common stock for the benefit of the estates of the Turner Children Trust dated January 21, 1980 are more fully described in the Exchange Agreement, the Articles of Amendment to the Restated Articles of Incorporation and the Registration Rights Agreement, respectively, copies of which are attached to this report as exhibits and incorporated by reference herein in their entirety.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits:

4.1 Articles of Amendment dated August 22, 1994 to the Restated Articles of Incorporation
10.1 Exchange Agreement dated August 22, 1994, by and among Dollar General Corporation, Dolgencorp, Inc., C.T.S., Inc. and stockholders of C.T.S., Inc.
10.2 Registration Rights Agreement dated August 22, 1994 by and among Dollar General Corporation, Turner Children Trust dated January 21, 1980, Cal Turner, Jr., James Stephen Turner, Laura Jo Dugas and Elizabeth Turner Campbell.
99.1 Press Release, dated August 22, 1994

SIGNATURES

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.

DOLLAR GENERAL CORPORATION

Date: August 22, 1994

By: /s/Cal Turner, Jr.

Cal Turner, Jr.
Chairman, President and Chief Executive Officer

EXHIBIT INDEX

No.	Description
4.1	Articles of Amendment dated August 22, 1994 to the Restated Articles of Incorporation
10.1	Exchange Agreement dated August 22, 1994, by and among Dollar General Corporation, Dolgencorp, Inc., C.T.S, Inc. and the stockholders of C.T.S., Inc.
10.2	Registration Rights Agreement dated August 22, 1994 by and among Dollar General Corporation, Turner Children Trust dated January 21, 1994, Cal Turner, Jr. James Stephen Turner, Laura Jo Dugas and Elizabeth Turner Campbell
99.1	Press Release dated August 22, 1994

EXHIBIT 4.1

ARTICLES OF AMENDMENT
TO THE RESTATED ARTICLES OF INCORPORATION
OF
DOLLAR GENERAL CORPORATION

The undersigned Cal Turner, Jr. and Bob Carpenter, being the President and Secretary, respectively, of Dollar General Corporation hereby certify that:

FIRST. The name of the Corporation is Dollar General Corporation;

SECOND. The Restated Articles of Incorporation of the Corporation was filed with the Secretary of State of the State of Kentucky on November 3, 1968;

THIRD. The Restated Articles of Incorporation of the Corporation (as heretofore amended) is hereby further amended by designating the current Paragraph B of Article V as Paragraph C and by the addition of the following as Paragraph B to Article V which shall read in its entirety as follows:

B. Series A Convertible Junior Preferred Stock. The Corporation is authorized to issue 1,715,742 shares of Series A Convertible Junior Preferred Stock. The following is a statement of the powers, designations, preferences and relative, participating, optional and other special rights of the Series A Convertible Junior Preferred Stock and the qualifications, limitations and restrictions of the Series A Convertible Junior Preferred Stock.

1. Voting Rights. Each share of Series A Convertible Junior Preferred Stock shall entitle the holder thereof to vote with the holders of the shares of Common Stock of the Corporation on all matters submitted to a vote of the holders of the shares of Common Stock of the Corporation and to have the number of votes as such holder would have upon conversion of the Series A Convertible Junior Preferred Stock to Common Stock as provided in paragraph 4(C)(iv). The holders of the Series A Convertible Junior Preferred Stock shall vote separately as a class only on such matters that require a class vote by law.

2. Dividends. Subject to the rights of the holders of any shares of any series of preferred stock ranking superior to the Series A Convertible Junior Preferred Stock with respect to dividends, the holders of Series A Convertible Junior Preferred Stock shall be entitled to receive cash dividends out of funds legally available therefor, if, when and as cash dividends are declared by the Board of Directors and paid out of funds legally available therefor with respect to the Common Stock, in an amount equal to ninety percent (90%) of the dividend paid per share of Common Stock times the number of shares of Common Stock that the holder of the Series A Convertible Junior Preferred Stock would be entitled to receive upon conversion pursuant to paragraph 4(C)(iv) for each share of Series A Convertible Junior Preferred Stock then held ("Participating Dividends"). If the Board of Directors shall declare a cash dividend on the Common Stock, the Board of Directors shall simultaneously declare a Participating Dividend on the Series A Convertible Junior Preferred Stock.

3. Liquidation, Merger, Etc.

(A) In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment in full of all amounts due and owing to creditors and holders of superior rights of any series or class of preferred stock, if any, the holders of Series A Convertible Junior Preferred Stock shall first be entitled, before any distribution is made upon any shares of Common Stock of the Corporation, to receive a preferential payment from the assets of the Corporation of cash or property (to the extent of funds legally available therefor) equal to $.50 per share (the "Series A Preference Amount") of Series A Convertible Junior Preferred Stock, such amount payable with respect to one share of Series A Convertible Junior Preferred Stock being sometimes referred to as the "Series A Liquidation Payment" and with respect to all shares of Series A Convertible Junior Preferred Stock being sometimes referred to as the "Series A Liquidation Payments." If upon such liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the assets to be distributed among the holders of Series A Convertible Junior Preferred Stock shall be insufficient to permit payment to the holders of Series A Convertible Junior Preferred Stock of the Series A Liquidation Payments, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the holders of Series A Convertible Junior Preferred Stock.

(B) Upon any such liquidation, dissolution or winding-up of the Corporation, after the holders of Series A Convertible Junior Preferred Stock shall have been paid the Series A Liquidation Payments in full and the payment of any other distribution that may be required with respect to any series of preferred stock that may from time to time come into existence ranking on a parity with or senior to the Series A Convertible Junior Preferred Stock, the remaining net assets of the Corporation shall be distributed to the holders of stock ranking on liquidation junior to the Series A Convertible Junior Preferred Stock. Written notice of such liquidation, dissolution or winding-up, stating a payment date and, to the extent known, the amount of the Series A Liquidation Payments and the place where said Series A Liquidation Payments shall be payable, shall be given by first class mail (postage prepaid), by telecopy, by overnight courier, or by telex, not less than ten (10) calendar days prior to the payment date stated therein, to the holders of record of the Series A Convertible Junior Preferred Stock, such notice to be addressed to each such holder at the address shown on the stock transfer records of the Corporation.

(C) In case outstanding shares of Series A Convertible Junior Preferred Stock shall be subdivided (by stock split, stock dividend or otherwise) into a greater number of shares of Series A Convertible Junior Preferred Stock, the relevant Series A Preference Amount in effect immediately prior to each such subdivision shall, simultaneously with the effectiveness of such subdivision, be proportionately reduced, and, conversely, in the case outstanding shares of Series A Convertible Junior Preferred Stock shall be combined into a smaller number of shares of Series A Convertible Junior Preferred Stock, the relevant Series A Preference Amount in effect immediately prior to each such combination, shall, simultaneously with the effectiveness of such combination, be proportionately increased.

(D) Whenever the distribution provided for in this Paragraph 3 shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Corporation.

4. Conversion.

(A) Right of Conversion. At the option of the holder thereof, at any time following the second anniversary of the date the shares of Series A Convertible Junior Preferred Stock are issued (the "Initial Issuance Date"), each share of Series A Convertible Junior Preferred Stock may be converted into shares of fully paid and nonassessable Common Stock at the Conversion Rate (as hereinafter defined), determined as hereinafter provided, in effect on the date the certificate is surrendered for conversion. The option to convert shares of the Series A Convertible Junior Preferred Stock may be exercised by surrendering to the Corporation or any transfer agent for the Series A Convertible Junior Preferred Stock the certificate or certificates for the shares of Series A Convertible Junior Preferred Stock so to be converted, with the notice of conversion on such certificate duly completed and executed. Shares shall be deemed to have been converted immediately prior to the close of business on the day of surrender of such shares in the manner herein prescribed for conversion and the person entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such Common Stock as of such date. The holder of Series A Convertible Junior Preferred Stock, upon surrender of such certificates for conversion, shall not thereafter receive any Participating Dividend except any Participating Dividend for which the record date preceded the conversion date and the payment date shall be subsequent to the conversion date.

(B) Automatic Conversion of Series A Convertible Junior Preferred Stock Upon the Sale and Transfer Pursuant to a Foreclosure by a Third Party, Upon Dissolution or Termination of a Holder, or Upon the Merger, Consolidation, Share Exchange of the Corporation or Sale of All or Substantially All of the Corporation's Assets.

(i) Upon the sale and transfer pursuant to a foreclosure by a third party (not to include any CTS Shareholder, a direct beneficiary (as of the Initial Issuance Date) of the Turner Children Trust dated January 21, 1980, or a wholly owned entity of one of the direct beneficiaries) of a security interest in shares of Series A Convertible Junior Preferred Stock, such shares of Series A Convertible Junior Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series A Convertible Junior Preferred Stock are then convertible pursuant to Paragraph 4(C) on the date of such foreclosure without any further action by the holder or transferee of such shares of Series A Convertible Junior Preferred Stock and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent for the Series A Convertible Junior Preferred Stock. In order to receive a Common Stock certificate, the transferee of the shares of Series A Convertible Junior Preferred Stock shall surrender to the Corporation or its transfer agent for the Series A Convertible Junior Preferred Stock the certificate or certificates representing such shares properly endorsed or accompanied by proper instruments of assignment, duly executed by or on behalf of the

record holder of such certificate or certificates. Certificates representing the shares of Common Stock into which such shares of Series A Convertible Junior Preferred Stock were so converted will be issued as soon as practicable.

(ii) Except for the distribution of shares of Series A Convertible Junior Preferred Stock upon the dissolution of the initial holder of the Series A Convertible Junior Preferred Stock, upon the dissolution or termination of a holder of Series A Convertible Junior Preferred Stock, such shares of Series A Convertible Junior Preferred Stock held by such holder shall be converted automatically into the number of shares of Common Stock into which such shares of Series A Convertible Junior Preferred Stock are then convertible pursuant to Paragraph 4(C) on the date of such dissolution or termination without any further action by the holder of such shares of Series A Convertible Junior Preferred Stock and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent for the Series A Convertible Junior Preferred Stock. In order to receive a Common Stock certificate, the distributee or distributees of such shares of Series A Convertible Junior Preferred Stock shall surrender to the Corporation or its transfer agent for the Series A Convertible Junior Preferred Stock the certificate or certificates representing such shares accompanied by evidence of the dissolution or termination of the record holder of such shares and duly executed instructions for the transfer of such shares. Certificates representing the shares of Common Stock into which such shares of Series A Convertible Junior Preferred Stock were so converted will be issued as soon as practicable.

(iii) In the event of any merger, consolidation or share exchange of the Corporation into or with any other corporation or entity, in which the Corporation is not the surviving entity (except for purposes of a merger effected exclusively for the purpose of changing the domicile of the Corporation), or sale of all or substantially all of the assets of the Corporation, all outstanding shares of Series A Convertible Junior Preferred Stock shall be automatically converted immediately prior to consummation of such event into the number of shares of Common Stock specified in Paragraph
4(C)(iv) (regardless of the date of such merger, consolidation, share exchange, sale of all or substantially all of the Corporation's assets) without any further action by the holder of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent for the Series A Convertible Junior Preferred Stock. The agent responsible for the receipt of certificates representing shares of the Corporation's Common Stock and the payment or distribution of the consideration to be received by the shareholders of the Corporation in such merger, consolidation or share exchange shall be instructed to receive and treat certificates representing the Series A Convertible Junior Preferred Stock as if such certificates represented the applicable number of shares of Common Stock. In a transaction involving the sale of all or substantially all of the assets of the Corporation, certificates representing shares of Series A Convertible Junior Preferred Stock shall be treated as set forth in subparagraphs (i) and
(ii) above.

(C) Conversion Rate. The number of shares of Common Stock issuable upon conversion of each share of Series A Convertible Junior Preferred Stock (the "Conversion Rate") shall be as follows, subject to adjustment as provided in paragraph 4(F):

(i) From the Initial Issuance Date through the third anniversary date thereof, one share of the Series A Convertible Junior Preferred Stock shall be convertible into 4.5 shares of Common Stock;

(ii) From the day following the third anniversary date of the Initial Issuance Date through the fourth anniversary date thereof, one share of the Series A Convertible Junior Preferred Stock shall be convertible into a 4.625 shares of Common Stock;

(iii) From the day following the fourth anniversary date of the Initial Issuance Date through the fifth anniversary date thereof, one share of the Series A Convertible Junior Preferred Stock shall be convertible into 4.75 shares of Common Stock; and

(iv) After the fifth anniversary date of the Initial Issuance Date, one share of the Series A Convertible Junior Preferred Stock shall be convertible into 5.0 shares of Common Stock.

(D) No Fractional Shares to be Issued. No fractional shares of Common Stock nor scrip representing fractional shares shall be issued upon the conversion of the Series A Convertible Junior Preferred Stock. If more than one share of Series A Convertible Junior Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares which shall be issuable upon conversion thereof shall be computed on the basis of the aggregate number of Series A Convertible Junior Preferred Stock so surrendered. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of any share or shares of Series A Convertible Junior Preferred Stock, the Corporation shall pay a cash adjustment in respect of such fraction based on the fair value of such share.

(E) Extraordinary Event.

(i) Upon the occurrence of an Extraordinary Common Stock Event (defined below), the holders of the Series A Convertible Junior Preferred Stock shall participate in any such Extraordinary Common Stock Event at the rate equal to the then applicable conversion rate as set forth in paragraph 4(C)(iv) for each share of Series A Convertible Junior Preferred Stock. An "Extraordinary Common Stock Event" shall mean (a) the issuance of additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (b) a stock split or subdivision of outstanding share of Common Stock into a greater number of shares of Common Stock, or (c) a reverse stock split or combination of outstanding shares of Common Stock into a smaller number of shares of Common Stock.

(ii) Upon the occurrence of a Recapitalization (defined below) of the Corporation or the payment of a special dividend, defined herein as a cash dividend other than a regular periodic cash dividend paid in an amount exceeding 200% of any cash dividend paid per share within the immediately preceding fiscal year (a "Special Dividend"),

the holders of the Series A Convertible Junior Preferred Stock shall participate in any such Recapitalization or Special Dividend with the Common Stock on an as converted basis as determined at the then applicable conversion rate set forth in paragraph 4(C)(iv) for each share of Series A Convertible Junior Preferred Stock. Recapitalization is defined herein as any recapitalization, reorganization or reclassification of the Common Stock of the Corporation.

(F) Adjustment to Conversion Rate. Upon the occurrence of an Extraordinary Common Stock Event as defined in 4(E)(i), the relevant Conversion Rates set forth in Paragraph 4(C) above shall be proportionately increased or decreased accordingly.

(G) Corporation Will Reserve Stock for Conversion. The Corporation shall at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon conversion of the Series A Convertible Junior Preferred Stock as herein provided, such number of shares of Common Stock as shall then be issuable upon the conversion of all outstanding Series A Convertible Junior Preferred Stock. All shares of Common Stock which shall be so issuable shall be duly authorized and, when issued upon conversion of the Series A Convertible Junior Preferred Stock, shall be validly issued, fully paid and nonassessable.

(H) No Charge for Conversion. The issuance of certificates for shares of Common Stock upon the conversion of any shares of the Series A Convertible Junior Preferred Stock shall be made without charge to the converting holder of the Series A Convertible Junior Preferred Stock for such certificates, and such certificates shall be issued in the name of, or in such names as may be directed by, the holder of the Series A Convertible Junior Preferred Stock; provided, however, that the Corporation shall not be required to pay any taxes or other governmental charges which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name other than that of the record holder of the Series A Convertible Junior Preferred Stock, and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or other governmental charge or shall have established to the satisfaction of the Corporation that such tax or other governmental charge has been paid or provided for. The Corporation may also require, as a condition to the issuance and delivery of any such certificate, an opinion of counsel acceptable to the Corporation to the effect that the proposed transfer (as allowable under Paragraph 7 hereof) either does not require registration, or that an exemption from registration is available, under federal or any applicable state securities law.

5. Ranking. The Series A Convertible Junior Preferred Stock shall rank junior to all other series or classes of preferred stock of the Corporation.

6. No Redemption. The shares of Series A Convertible Junior Preferred Stock shall not be redeemable at the option of the holder or the Corporation.

7. Transferability. Except for the distribution of shares of Series A Convertible Junior Preferred Stock upon the dissolution of the initial holder of the Series A Convertible Junior Preferred Stock, the holders of the shares of Series A Convertible Junior Preferred Stock may not sell, exchange, give, devise or otherwise dispose of, either voluntarily or involuntarily, or by operation of law (including a transfer pursuant to equitable distribution proceedings) any of the shares of Series A Convertible Junior Preferred Stock; provided, however, that the holders of the Series A Convertible Junior Preferred Stock may grant a security interest therein and provided further that the shares of Series A Convertible Junior Preferred Stock may be transferred to one or more of the original distributees of the original holder thereof or to one or more of the direct beneficiaries (as of the Initial Issuance Date) of the Turner Children Trust dated January 21, 1980.

8. Right of First Refusal Upon Foreclosure, Dissolution of a Holder or Following the Death of a Holder.

(A) In the event of an automatic conversion of shares of Series A Convertible Junior Preferred Stock into shares of Common Stock pursuant to the provisions of Paragraph 4(B)(i) hereof as a result of the sale and transfer pursuant to a foreclosure by a third party (not to include any CTS Shareholder, any direct beneficiary of the Turner Children Trust dated January 21, 1980, or a wholly owned entity of one of the direct beneficiaries any entity affiliated with such person(s) or entity) of a security interest in such shares, the Corporation shall have the right of first refusal to purchase such shares of Common Stock. The holder of shares of Series A Convertible Junior Preferred Stock that are the subject of a foreclosure proceeding shall give the Corporation thirty (30) days' prior written notice (the "Foreclosure Notice") of such pending foreclosure proceeding. The Foreclosure Notice shall state the name, address and telephone number of the party instituting the foreclosure proceedings (the "Foreclosuring Party") as well as the scheduled date of foreclosure. During the period following the receipt of the Foreclosure Notice and prior to the consummation of the foreclosure, the Corporation may elect to purchase the shares of Common Stock issuable upon the automatic conversion by giving the Foreclosing Party written notice prior to foreclosure of its intent to purchase such shares and stating the date (the "Closing Date") that such purchase shall be consummated, which shall be a date within ten (10) calendar days of the sale and transfer pursuant to the foreclosure. The purchase price per share for the shares of Common Stock to be purchased shall be the closing sale price of the Common Stock on the last trading day preceding the Closing Date as quoted on any national securities exchange on which the Corporation's Common Stock is listed, on The Nasdaq National Market, or, if price quotations for the Common Stock are not available on any such national securities exchange or The Nasdaq National Market, the mean between the closing bid and asked price of the Common Stock on the over-the-counter market as reported by the National Quotation Bureau, Incorporated, or, if no bid quotation is available on the over-the-counter market, the fair value of such Common Stock as determined in good faith by the Board of Directors.

(B) In the event of an automatic conversion of shares of Series A Convertible Junior Preferred Stock into shares of Common Stock pursuant to the provisions of paragraph 4(B)(ii) hereof as a result of the termination or dissolution of the holder of

Series A Convertible Junior Preferred Stock, the Corporation shall have the right of first refusal to purchase such shares of Common Stock. The holder of shares of Series A Convertible Junior Preferred Stock shall give the Corporation thirty (30) days' prior written notice (the "Dissolution Notice") of such pending dissolution. The Dissolution Notice shall state the scheduled date of termination or dissolution. During the period following receipt of the Dissolution Notice and prior to consummation of such termination or dissolution, the Corporation may elect to purchase the shares of Common Stock, issuable upon the automatic conversion by giving the holder written notice prior to termination or dissolution of its intent to purchase such shares and stating the date (the "Closing Date") that such purchase shall be consummated, which shall be a date within ten (10) calendar days of the termination or dissolution. The purchase price per share for the shares of Common Stock to be purchased hereunder shall be the same as set forth in Paragraph 8(A) above.

(C) In the event of the death of a holder of Series A Convertible Junior Preferred Stock, the subsequent conversion thereof, if any, by the estate (the "Estate") of such holder of such shares into Common Stock and any proposed sale of all or a portion thereof by the Estate, the Corporation shall have the right of first refusal to purchase such shares of Common Stock from the Estate. The Estate shall give the Corporation thirty (30) days' prior written notice of its intent to sell all or a portion of the underlying Common Stock (or if previously converted, notice of its intent to sell) stating the proposed sale date. During such thirty-day period following notice of the Estate's intentions to sell all or a portion of the underlying Common Stock, the Corporation may elect to purchase such shares of Common Stock by giving the estate written notice prior to the sale date of its intent to purchase such shares and stating the date that such purchase shall be consummated, which date shall be within ten (10) days of the requested date of conversion or sale if previously converted. The purchase price per share shall be determined as set forth in Paragraph 8(A) above.

9. Notices of Record Date. In the event of:

(A) any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any share of stock of any class or any other securities or property, or to receive any other right; or

(B) any recapitalization of the Corporation, any reclassification of the capital stock of the Corporation, any merger or consolidation of the Corporation, or any transfer of all or substantially all of the assets of the Corporation to any other corporation, or any other entity or person; or

(C) any voluntary or involuntary dissolution, liquidation or winding-up of the Corporation; then and in each such event the Corporation shall mail or cause to be mailed to each holder of Series A Convertible Junior Preferred Stock a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and a description of such dividend, distribution or right, (ii) the date on

which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up is expected to become effective and (iii) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up. Such notice shall be sent by first class mail (postage prepaid), or by telecopy or overnight courier or by telex, at least ten (10) calendar days prior to the date specified in such notice on which such action is to be taken.

10. Status of Converted Series A Convertible Junior Preferred Stock. No share(s) of Series A Convertible Junior Preferred Stock acquired by the Corporation by reason of repurchase, conversion or otherwise shall be reissued as Series A Convertible Junior Preferred Stock, and all such acquired shares shall (i) be canceled, retired and eliminated from the Series A Convertible Junior Preferred Stock and (ii) shall become authorized and unissued shares of the Corporation's undesignated preferred stock set forth in Paragraph A of Article V of the Corporation's Restated Articles of Incorporation, as amended. No further corporate action by the Corporation shall be necessary to reduce the authorized number of shares of the Series A Convertible Junior Preferred Stock solely as a result of the conversion of shares of the Series A Convertible Junior Preferred Stock.

FOURTH. The foregoing amendment was authorized by the Board of Directors at a meeting of the Board of Directors duly called and held, in the exercise of authority conferred by the Restated Articles of Incorporation, as amended, and in accordance with Section 271B.10-020 of the Kentucky Business Corporation Act.

IN WITNESS WHEREOF, Dollar General Corporation does hereby file in triplicate originals of these Articles of Amendment to the Restated Articles of Incorporation through its President and Chairman, Cal Turner, Jr., and its Secretary, Bob Carpenter, this 22nd day of August, 1994.

DOLLAR GENERAL CORPORATION

/s/ Cal Turner, Jr.

Cal Turner, Jr.

/s/ Bob Carpenter

Bob Carpenter

EXHIBIT 10.1

EXCHANGE AGREEMENT

This Exchange Agreement (the "Agreement") is made as of August 22, 1994 among Dollar General Corporation, a Kentucky corporation ("Dollar General"), Dolgencorp, Inc., a Kentucky corporation and wholly owned subsidiary of Dollar General ("Dolgencorp"), C.T.S., Inc., a Kentucky corporation ("CTS") and CTS's shareholders, the Turner Children Trust dated January 21, 1980, the Cal Turner Family Foundation and the Turner Foundation for Lindsey Wilson College, Inc., a Kentucky corporation, (collectively the "CTS Shareholders").

BACKGROUND STATEMENT

CTS has proposed to Dollar General a securities exchange pursuant to which CTS would transfer 100% of the outstanding Dollar General common stock, $.10 par value per share (the "Common Stock") currently held by CTS to Dollar General's wholly owned subsidiary Dolgencorp in exchange for 1,715,742 shares of Dollar General's newly authorized Series A Convertible Junior Preferred Stock, (the "Series A Preferred Stock"), the terms and conditions of which are set forth in the Articles of Amendment to the Restated Articles of Incorporation of Dollar General Corporation, as amended, attached hereto as Exhibit A. The aggregate number of shares of Dollar General Common Stock held by CTS as of this date is 8,578,710 (the "CTS Stock"). The shareholders of CTS intend to liquidate CTS and distribute its assets (the "CTS Liquidation") promptly following the closing of the securities exchange pursuant to this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
The Exchange

1.1 The Exchange. Immediately preceding the Closing (defined below), Dollar General shall make a capital contribution of $200,527,346.25 to Dolgencorp. Dolgencorp will use the capital contribution to acquire the Series A Preferred Stock from Dollar General. Immediately thereafter, CTS and Dolgencorp will exchange the CTS Stock for the Series A Preferred Stock, whereby CTS will receive one share of Series A Preferred Stock for each five shares of the CTS Stock (the "Exchange").

1.2 Closing. The consummation of the Exchange and the related transactions described in Section 1.1 of this Agreement shall take place at the corporate offices of Dollar General on the date hereof (the "Closing").

1.3 Fractional Shares. No scrip or fractional shares of Series A Preferred Stock shall be issued in the Exchange. CTS shall be entitled to receive a cash payment with respect to

any fractional share in an amount equal to the reported closing sale price on the Closing date of one share of Common Stock (as reported on the Nasdaq National Market) multiplied by five, the product of which is multiplied by such fractional share. Promptly after the Closing, Dolgencorp shall pay CTS a cash payment equal to the value of any such fractional share as so determined.

1.4 Transfer Agent. The parties hereto agree that Dollar General shall be appointed as the Transfer Agent for the Series A Preferred Stock.

1.5 Surrender of Certificates. At the Closing, (a) CTS shall surrender the certificates, representing the CTS Stock duly endorsed for transfer to Dolgencorp; and (b) Dolgencorp shall deliver to CTS the certificates representing the Series A Preferred Stock to be exchanged pursuant to the terms of this Agreement, in such names and denominations as CTS shall have instructed Dollar General in writing.

ARTICLE II
Representations and Warranties of CTS

CTS and the CTS Shareholders (with respect to Sections 2.2, 2.3, 2.6, 2.9 and 2.10) represent and warrant to Dollar General and Dolgencorp as of the date of this Agreement as follows:

2.1 Organization; Corporate Authority; Compliance With Law. CTS is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Kentucky. CTS has all requisite corporate power and authority to own, operate and lease its properties and assets and to carry on its business as now conducted. CTS is not in violation of any order of any court, governmental authority or arbitration board or tribunal, or any law, ordinance, governmental rule or regulation to which CTS or any of its properties or assets is subject. CTS has obtained all licenses, permits, and other authorizations and has taken all actions required by applicable law or governmental regulations in connection with its business as now conducted.

2.2 Authorization, Validity and Effect of Agreement. CTS has the full corporate power and authority to execute and deliver this Agreement and all agreements and documents contemplated hereby. The consummation by CTS and the CTS Shareholders of the transaction contemplated hereby has been duly authorized by all requisite corporate and trust actions, as applicable, including, but not limited to appropriate shareholder, trustee, trust committee and member approval. This Agreement constitutes, and all agreements and documents contemplated hereby will constitute, the valid and legally binding obligations of CTS and the CTS Shareholders, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

2.3 No Violation. Neither the execution and delivery by CTS and the CTS Shareholders of this Agreement nor the consummation by CTS and the CTS Shareholders of the transactions contemplated hereby in accordance with the terms hereof, will: (i) conflict with or result in a breach of any provisions of (a) the Articles of Incorporation or Bylaws of CTS or the Turner Foundation for Lindsey Wilson College, Inc., respectively, or (b) the respective trust agreements dated January 21, 1980 and December 20, 1991; (ii) conflict with, result in a breach of any provision of or the modification or termination of, constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the assets of CTS pursuant to any material commitment, lease, contract, or other material agreement or instrument to which CTS is a party; or (iii) violate any order, arbitration award, judgment, writ, injunction, decree statute, rule or regulation applicable to CTS or the CTS Shareholders.

2.4 Assets. CTS owns the assets reflected on the unaudited June 30, 1994 CTS balance sheet, including but not limited to the CTS Stock, with good and marketable title, free and clear of any and all claims, liens, mortgages, options, charges, conditional sale or title retention agreements, security interests, restrictions, easements, or encumbrances whatsoever and free and clear of any rights or privileges capable of becoming claims, liens, mortgages, options, charges, security interests, restrictions, easements or encumbrances, except as set forth on Schedule 2.4 of this Agreement. Upon transfer, Dolgencorp shall receive the CTS Stock free and clear of any and all claims, liens, mortgages, options, charges, security interests or encumbrances whatsoever.

2.5 Fair Market Value. The CTS Stock to be exchanged with Dolgencorp constitutes not less than ninety percent (90%) of the fair market value of the net assets and at least seventy percent (70%) of the fair market value of the gross assets held by CTS as of the time of the Exchange.

2.6 Intentions. Except in connection with the proposed CTS Liquidation, CTS and the CTS Shareholders hereby represent and warrant that there is no plan or intention by the shareholders of CTS to sell, exchange, or otherwise dispose of any shares of the Series A Preferred Stock received in the Exchange.

2.7 Indebtedness. There is no intercorporate indebtedness existing between Dolgencorp and CTS that was issued, acquired or will be settled at a discount in connection with this Agreement.

2.8 Court Proceeding. CTS is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of Section 368(a)(3)(A) under the Internal Revenue Code of 1986, as amended (the "Code").

2.9 Liquidation and Distribution. CTS shall be promptly liquidated following the Exchange and the assets of CTS shall be distributed pro rata to the CTS Shareholders.

2.10 Full Disclosure. All the information provided by CTS, the CTS Shareholders and their respective representatives herein and in the Schedules attached hereto and made a part hereof are true, correct and complete in all material respects and no representation, warranty or statement made by CTS or any of the CTS Shareholders in or pursuant to this Agreement, including but not limited to, the private letter ruling request and subsequent correspondence with the Internal Revenue Service, contains any untrue statement of a material fact or omits to state any material fact necessary to make such representation, warranty, or statement not misleading.

ARTICLE III

Representations and Warranties of Dollar General and Dolgencorp

Dollar General and Dolgencorp hereby represent and warrant to CTS and the CTS Shareholders as of the date of this Agreement as follows:

3.1 Organization; Corporate Authority; Compliance with Law. Each of Dollar General and Dolgencorp is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Kentucky. Dollar General and Dolgencorp each have all requisite corporate power and authority to own, operate and lease their respective properties and assets and to carry on their businesses as now conducted. Neither Dollar General nor Dolgencorp is in violation of any order of any court, governmental authority or arbitration board or tribunal, or any law, ordinance, governmental rule or regulation to which Dollar General, Dolgencorp or any of their properties or assets are subject. Dollar General and Dolgencorp have obtained all licenses, permits, and other authorizations and each has taken all actions required by applicable law or governmental regulations in connection with its business as now conducted.

3.2 Authorization, Validity and Effect of Agreement. Each of Dollar General and Dolgencorp has the requisite corporate power and authority to execute and deliver this agreement and all agreements and documents contemplated hereby. The consummation by Dollar General and Dolgencorp of the transactions contemplated hereby have been duly authorized by all requisite corporate action. This Agreement constitutes, and all agreements and documents contemplated hereby will constitute, the valid and legally binding obligations of Dollar General and Dolgencorp, enforceable and in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principals of equity.

3.3 No Violation. Neither the execution and delivery by Dollar General and Dolgencorp of this Agreement, nor the consummation by Dollar General and Dolgencorp of the transactions contemplated hereby and in accordance with the terms hereof will: (i) conflict with or result in a breach of any provisions of the Articles of Incorporation or Bylaws of Dollar General or Dolgencorp; (ii) conflict with, result in a breach of any

provision of or the modification or termination of, constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the assets of Dollar General or Dolgencorp pursuant to any material commitment, lease, contract, or other material agreement or instrument to which Dollar General or Dolgencorp is a party; or (iii) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule, or regulation applicable to Dollar General or Dolgencorp.

3.4 Reacquisition of Series A Preferred Stock. Neither Dollar General nor Dolgencorp has any present plan or intention to reacquire any shares of the Series A Preferred Stock to be issued in the Exchange.

3.5 Disposition of Assets Acquired. Neither Dollar General or Dolgencorp has any present plan or intention to sell or otherwise dispose of the Common Stock of Dollar General acquired from CTS in the Exchange, except for such dispositions made in the ordinary course of business or transfers described in Section 368(a)(2)(C) of the Code.

3.6 Intercorporate Indebtedness. There is no intercorporate indebtedness existing between Dolgencorp and CTS that was issued, acquired, or will be settled at a discount in connection with this Agreement.

3.7 Investment Companies. Neither Dollar General nor Dolgencorp is an investment company as defined in Section 368(a)(2)(F)(iii) and (iv) of the Code.

3.8 Ownership of CTS Capital Stock. Dolgencorp does not own, directly or indirectly, nor has it owned during the preceding five years, directly or indirectly, any capital stock of CTS.

3.9 Issuance of Common Stock Upon Conversion. Dollar General represents that all shares of Common Stock that shall be issuable upon conversion of the Series A Preferred Stock pursuant to and in accordance with the Articles of Amendment attached hereto as Exhibit A, have been duly authorized and are reserved for issuance and, when issued upon such conversion, shall be validly issued, fully paid and nonassessable.

ARTICLE IV
Covenants

4.1 Certain Legal Proceedings. In the event of any claim, action, suit, investigation or other proceedings by any governmental entity or other person is commenced which questions the validity or legality of the Exchange or any of the other transactions contemplated hereby or seeks damages in connection therewith, the parties agree to cooperate with each other and use their best efforts to defend against such claim, action, suit, investigation or other proceeding, and if an injunction or other order is issued in any such action, suit or other proceeding, to use their respective best efforts to have such injunction or

such order lifted, and to cooperate reasonably regarding any other impediment to the consummation of the transactions contemplated by this Agreement.

4.2 Expenses. CTS and the CTS Shareholders covenant that all out of pocket costs and expenses (including, but not limited to, attorneys' fees, financial advisor fees, fees and expenses of the Compensation Committee of the Board of Directors) incurred by Dollar General, Dolgencorp and CTS in connection with this Agreement and the transactions contemplated hereby shall be paid by CTS, and the CTS Shareholders, jointly and severally, agree to pay all such expenses not paid by CTS prior to the CTS Liquidation.

4.3 Reservation of Common Stock. Dollar General shall at all times reserve and keep available out of its authorized Common Stock solely for the purpose of issuance upon conversion of the Series A Preferred Stock as provided for in the Articles of Amendment to the Restated Articles of Incorporation of Dollar General, such number of shares of Common Stock as shall then be issuable upon the conversion of all outstanding shares of Series A Preferred Stock.

4.4 Market Listing. Dollar General shall cause the Common Stock to be issued upon conversion of the Series A Preferred Stock to be authorized for listing on the national securities exchange or market on which the Dollar General Common Stock is then listed, if applicable, upon official notice of issuance.

ARTICLE V
Indemnification

5.1 Indemnification by CTS and the CTS Shareholders. CTS and the CTS Shareholders, jointly and severally (the "Indemnitors"), hereby agree to defend, indemnify and hold harmless Dollar General, Dolgencorp and each of their directors, officers, agents, affiliates, representatives, successors and assigns (the "Indemnified Persons") and shall reimburse the Indemnified Persons for, from and against each claim, loss, liability, cost and expense (including without limitation, interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) collectively, ("Losses"), directly or indirectly relating to, resulting from or arising out of this Agreement and consummation of the transactions contemplated hereby in accordance with the terms hereof, except for Losses directly resulting from the gross negligence or wilful misconduct of the Indemnified Persons.

5.2 Procedure. The Indemnified Persons shall promptly notify the Indemnitors of any claim, demand, action or proceeding for which indemnification will be sought under 5.1 of this Agreement, and if such claim, demand, action or proceeding is a third party claim, demand, action or proceeding, the Indemnitors will have the right, at their expense, to assume the defense thereof using counsel reasonably acceptable to the Indemnified Persons. The Indemnified Persons shall have the right to participate, at their own expense, with

respect to any third party claim, demand, action or proceeding. In connection with any such third party claim, demand, action or proceeding, CTS, the CTS Shareholders and the Indemnified Persons shall cooperate with each other and provide each other with access to relevant books and records in their possession. No such third party claim, demand, action or proceeding shall be settled by the Indemnitors or the Indemnified Person without the prior written consent of the Indemnified Persons, on the one hand, or the Indemnitors, as the other hand. If a written offer is made to settle any such third party claim, demand, action or proceeding and the Indemnitors propose to accept such offer of settlement and the Indemnified Persons refuse to consent to such settlement, then: (i) the Indemnitors shall be excused from, and the Indemnified Parties shall be solely responsible for all further defense of such third party claim, demand, action or proceeding; and (ii) the maximum liability of the Indemnitors relating to such third party claim, demand, action or proceeding shall be the amount of the proposed settlement if the amount thereafter recovered from the Indemnified Persons upon such third party claim, demand, action or proceeding is greater than the amount of the proposed settlement.

ARTICLE VI
Survival of Representations

6.1 Survival of Representations: All representations, warranties, covenants and agreements by the parties contained in this Agreement shall survive the closing and any investigation at any time made by or on behalf of any party hereto.

6.2 Statements as Representations. All statements contained in any certificate, schedule, list, document or other writing delivered pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties for purposes of this Agreement.

6.3 Remedies Cumulative. The remedies provided herein shall be cumulative and shall not preclude the assertion of any party hereof of any other rights or the seeking of any other remedies against the other parties hereto.

ARTICLE VII
Miscellaneous

7.1 Entire Agreement; Amendments. This Agreement, including the exhibits, schedules, lists and other documents and writings referred to herein or delivered pursuant hereto, which form a part hereof, contains the entire understanding of the parties with respect to the subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter. This Agreement may be amended only by a written instrument duly executed

by all parties or their respective heirs, successors, assigns or legal personal representatives. Any condition to a party's obligations hereunder may be waived but only by a written instrument signed by the party entitled to the benefits thereof. Failure or delay of any party at any time or times to require performance of any provision or to exercise its rights with respect to any provision hereof, shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same.

7.2 Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

7.3 Severability. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement which shall remain in full force and effect.

7.4 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested) as follows:

If to Dollar General Corporation:

Dollar General Corporation
104 Woodmont Boulevard, Suite 500
Nashville, Tennessee 37205

Attention: Bob R. Carpenter

Copy to:

Bass, Berry & Sims
2700 First American Center
Nashville, Tennessee 37238

Attention: James H. Cheek, III

If to Dolgencorp:

Dolgencorp, Inc.

427 Beech Street
Scottsville, Kentucky
Attention: Bob R. Carpenter

Copy to:

Bass, Berry & Sims
2700 First American Center
Nashville, Tennessee 37238

Attention: James H. Cheek, III

If to CTS:

CTS, Inc.
104 Woodmont Blvd., Suite 355 Nashville, Tennessee 37205 Attention: Cal Turner, Jr.

Copy to:

Sherrard & Roe
424 Church Street, Suite 2000
Nashville, Tennessee 37219-2319

Attention: Thomas J. Sherrard

If to the CTS Shareholders:

Turner Children Trust
104 Woodmont Blvd., Suite 355
Nashville, Tennessee 37205

Attention: Juette Day

Cal Turner Family Foundation 104 Woodmont Blvd., Suite 355 Nashville, Tennessee 37205 Attention: Juette Day

Turner Foundation for Lindsey Wilson College, Inc. 210 Lindsey Wilson College Road Columbia, Kentucky 42728

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

6.5 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky, without regard to its conflict of laws rules.

6.6 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, with the same effect as if the signatories executing the several counterparts had executed one counterpart, provided, however, that the several executed counterparts shall have been signed by Dollar General, Dolgencorp, and CTS. Also, its counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Dollar General, Dolgencorp, CTS and by the CTS Shareholders on the date first above written.

DOLLAR GENERAL CORPORATION

By: /s/ Bob Carpenter

Title: VP - CAO

DOLGENCORP, INC.

By: /s/ C. Kent Garner

Title: VP and Treasurer

CTS, INC.

By: /s/ Cal Turner, Jr.

Title: President

SHAREHOLDERS OF CTS, INC.:

Turner Children Trust Dated
January 21, 1980

By: /s/ Cal Turner, Jr.

Title: Trustee

Cal Turner Family Foundation

By: /s/ Cal Turner, Jr.

Title: Trustee

Turner Foundation for Lindsey Wilson College, Inc.

By: /s/ Cal Turner, Jr.

Title: Trustee

EXHIBIT 10.2

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT dated as of August 22, 1994 by and between Dollar General Corporation (the "Company") and the Turner Children Trust dated January 21, 1980 (the "Trust"), a certain holder of the Company's Series A Convertible Junior Preferred Stock, and the immediate beneficiaries of the Trust as set forth on the signature page hereto (collectively the "Series A Holders").

WHEREAS, as of the date of this Agreement, the Trust owns 1,613,742 shares of the Company's Series A Convertible Junior Preferred Stock (the "Series A Preferred Stock");

WHEREAS, the Board of Directors has authorized the officers of the Company to prepare and execute this Agreement, in the name and on behalf of the Company, to offer certain registration rights to the Series A Holders, the acceptance of which shall be evidenced by their execution of this Agreement;

NOW, THEREFORE, the Company and the Holders agree as follows:

1. Definitions - As used in this Agreement, the following terms shall have the following meanings:

"Registrable Securities" means the Common Stock, $.50 par value per share, received by the Series A Holders upon conversion of the Series A Preferred Stock, pursuant to the terms set forth in the Articles of Amendment designating the Series A Preferred Stock, until such time as such Common Stock is saleable pursuant to Rule 144(k) promulgated under the Securities Act. For purposes of this Agreement, a Registrable Security ceases to be a Registrable Security when (x) it has been effectively registered under the Securities Act and sold or distributed to the public in accordance with an effective registration statement covering it, or (y) it is sold, distributed or otherwise disposed of pursuant to Rule 144 (or any successor or similar provision) under the Securities Act.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

2. Demand Registration. (a) Subject to the terms and conditions set forth herein, if at any time the executor or administrator of the estate of a Series A Holder shall request the Company in writing to register under the Securities Act all or a part of the Registrable Securities held by such Series A Holder (a "Demand Registration"), the Company shall use all reasonable efforts to cause to be filed and declared effective as soon as reasonably practicable a registration statement, on such appropriate short registration form as the Company in its discretion shall determine (Form S-3 or any future equivalent thereof), providing for the sale of all of such Registrable Securities by such Series A Holder; provided, however, that such requests shall express the present intention of the Series A Holder(s) to offer or cause the offering of such Registrable Securities for distribution in an underwritten public offering thereof. Each

registration statement filed pursuant to this Section 2(a) is hereinafter referred to as a "Demand Registration Statement."

The Company's obligation to use all reasonable efforts to cause Registrable Securities to be registered in accordance with this Section 2(a) is subject to each of the following limitations, conditions and qualifications:

(i) The Company may postpone for a reasonable period of time, the filing or the effectiveness of a registration requested pursuant to this Section 2(a) if the Company determines that (A) such registration might have an adverse effect on any plan or proposal by the Company or any of its subsidiaries with respect to any financing, acquisition, recapitalization, reorganization or other material transaction or (B) the Company is in possession of material non-public information and disclosure of such information is not in the best interests of the Company or any of its subsidiaries; provided, however, that as soon as the conditions permitting such delay are no longer applicable, the Company shall give notice of that fact to the executor or administrator of the estate of such requesting Series A Holder, and shall proceed with the registration unless the executor or administrator shall have elected, at any time prior to the close of business on the tenth business day after the Company has so notified the executor or administrator, to withdraw their request for registration, and such withdrawn request shall not constitute a request hereunder.

(ii) The Company shall not be required to effect any registration pursuant to this Section 2(a) unless such registration relates to Registrable Securities which may be registered in a registration statement on Form S-3 (or any future equivalent thereof) and represent a market value of $3,000,000 as of the date immediately preceding the filing of a registration statement with the SEC.

(iii) The obligations of the Company to register Registrable Securities pursuant to this Section 2(a) shall expire with respect to each Series A Holders' estate after one Demand Registration Statement filed by reason of a request pursuant to Section 2(a) shall have become effective and remained effective for the period specified in Section 3(a)(ii) hereof.

(b) The Company agrees that, except as otherwise permitted by Section 2(d) hereof, it will not effect any public sale or distribution (or any registration with respect thereto) of any of its Common Stock during a period beginning on the twenty-fifth day prior to, and ending on the earlier of the fifteenth day after, the date such Demand Registration Statement is declared effective or the date when attempts to effect such registration are abandoned by or at the request of the executor or administrator of the estate holding the Registrable Securities (the "Hold-Back Period").

(c) The Company shall have the right to select any recognized investment banking firm(s) to administer the offering.

(d) The Company and, at the Company's sole election, any other estate of a Series A Holder of Registrable Securities, may include in any registration requested pursuant to Section 2(a) any shares of Common Stock which it or they shall determine so to include (the "Additional Registrable Securities") and the consent of the Series A Holders shall not be required with respect thereto; provided, however, that, if, in the opinion of the managing underwriter of such offering, the inclusion in such registration statement of all Additional Registrable Securities would materially interfere with the successful marketing of the Series A Holders' Registrable Securities, then the number of the Additional Registrable Securities shall be reduced to such number, if any, that, in the opinion of such managing underwriter(s), can be included in such underwriting without such interference with the successful marketing of the Series A Holders' Registrable Securities.

(e) In a Demand Registration pursuant to this Agreement, the Registrable Securities of the requesting executor or administrator of the estate of a Series A Holder shall be the first shares included in such registration statement and no other shares of the Company's securities shall be included if, in the opinion of the managing underwriter(s) of such offering, the inclusion of the additional securities would materially interfere with the registration and sale of the Series A Holder's Registrable Securities. If, in the opinion of the managing underwriter(s) of any offering, the distribution of a specified portion of the Series A Holders' shares would materially interfere with the registration and sale, in accordance with the intended method thereof, then the number of Series A Holders' shares to be included in such registration statement shall be reduced to such number, if any, that, in the opinion of such managing underwriter(s), can be included without such interference. If, as a result of the cutback provisions of the preceding sentence, any estate of a Series A Holder is not entitled to include all of such Series A Holder's shares in such registration, such Series A Holder may elect to withdraw its request to include such Series A Holders' shares in such registration (a "Withdrawal Election"); provided, however, that a Withdrawal Election shall be irrevocable and such Series A Holder shall no longer have any right to include any shares in the registration as to which such Withdrawal Election was made.

(f) As a condition to each Series A Holder's right to include shares in a registration pursuant to this Section, such Series A Holder shall, if requested by the Company or the managing underwriter(s) in connection with such registration and distribution, (A) agree to sell the shares on the basis provided in any underwriting arrangements entered into in connection therewith and (B) complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents which are customary in similar transactions and required under the terms of such underwriting arrangements.

3. Registration Procedures. (a) Whenever the Company is required to use all reasonable efforts to effect the registration of any Registrable Securities under the Securities Act pursuant to the terms and conditions of Section 2(a) (such Registrable Securities being

hereinafter referred to as the "Subject Shares"), the Company will use all reasonable efforts to effect the registration of the Subject Shares in accordance with the intended method of disposition thereof. Without limiting the generality of the foregoing and provided the Company is eligible to register the subject shares pursuant to Form S-3 (or the future equivalent thereof), the Company will as soon as practicable:

(i) prepare and file with the SEC a registration statement on Form S-3 (or any future equivalent thereof) under the Securities Act with respect to the Subject Shares and use all reasonable efforts to cause such registration statement to become effective;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Subject Shares and other securities covered by such registration statement until the earlier of (A) such time as all of such Subject Shares and other securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement and (B) the expiration of 30 days after such registration statement becomes effective; provided, that, if the offering of Subject Shares pursuant to such registration statement is terminated or suspended by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, the foregoing time period shall be extended by the number of days during the period from and including the date such stop order, injunction or other order or requirement becomes effective to and including the date when such termination or suspension no longer exists;

(iii) furnish the Series A Holder(s) of the Subject Shares covered by such registration statement, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case without exhibits unless specifically requested), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus), such documents incorporated by reference in such registration statement or prospectus, and such other documents, as such Series A Holder(s) may reasonably request;

(iv) use all reasonable efforts to register or qualify the Subject Shares covered by such registration statement under the securities or blue sky laws of such jurisdictions as the managing underwriter(s) shall reasonably recommend, and do any and all other acts and things which may be reasonably necessary or advisable to enable the Series A Holder(s) to consummate the disposition in such jurisdictions of the Subject Shares covered by such registration statement, except that the Company shall not for any such purpose be required to (A) qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so

qualified, (B) subject itself to taxation in any such jurisdiction wherein it is not so subject, or (C) consent to general service of process in any such jurisdiction or otherwise take any action that would subject it to the general jurisdiction of the courts of any jurisdiction in which it is not so subject;

(v) otherwise use all reasonable efforts to comply with all applicable rules and regulations of the SEC;

(vi) furnish, at the Company's expense, unlegended certificates representing ownership of the securities being sold in such denominations as shall be requested and instruct the transfer agent to release any stop transfer orders with respect to the Subject Shares being sold;

(vii) notify each participating Series A Holder at any time when a prospectus relating to the Subject Shares is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such Registration Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of the prospectus or any preliminary prospectus, in light of the circumstances under which they were made) not misleading, and the Company will, as promptly as practicable thereafter, prepare and file with the SEC and furnish a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of Subject Shares, such prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(viii) enter into customary agreements (including an underwriting agreement in customary form in the case of an underwritten offering); make such representations and warranties to the Series A Holder(s) and underwriter(s) (in the case of underwritten offerings) in form, substance and scope as are customarily made by issuers to sellers or underwriter(s) in similar offerings;

(ix) make available for inspection by the Series A Holder(s), any underwriter or agent participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other similar professional advisor retained by any such Series A Holder(s), underwriter (s) or agents (collectively, the "Inspectors"), all pertinent financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records"), as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. The Series A Holders agree that Records and other information which the Company determines to be confidential and of which determination the Inspectors are so notified shall not be disclosed by the Inspectors unless (i) the

release of such Records is ordered pursuant to a subpoena, court order or regulatory or agency request or (ii) the information in such Records has been generally disseminated to the public. Each Series A Holder agrees that it will, upon learning that disclosure of such Record is sought in a court of competent jurisdiction or by a governmental agency, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(x) make available to its security holders earnings statements, which need not be audited, satisfying the provisions of Section 11(a) of the Securities Act no later than 90 days after the end of the 12-month period beginning with the first month of the Company's first quarter commencing after the effective date of the Registration Statement, which earnings statements shall cover said 12 month period;

(xi) make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the effectiveness of such registration statement at the earliest possible moment;

(xii) cause the Subject Shares to be registered with or approved by such other governmental agencies or authorities within the United States as may be reasonably necessary to enable the sellers or the underwriter(s) to consummate the disposition of such securities;

(xiii) cooperate with the holders of the Registrable Securities and the managing underwriter(s), or any other interested party (including any interested broker-dealer) in making any filings or submission reasonably required to be made, and the furnishing of all appropriate information in connection therewith, with the National Association of Securities Dealers, Inc. ("NASD");

(xiv) effect the listing of the Subject Shares on the Nasdaq National Market or other national securities exchange on which shares of the Company's Common Stock shall then be listed; and

(xv) take all other steps necessary to effect the registration of the Subject Shares contemplated hereby.

(b) The Series A Holders shall provide (in writing and signed by the Series A Holder(s) and stated to be specifically for use in the related registration statement, preliminary prospectus, prospectus or other document incident thereto) all such information and materials, including without limitation, the intended plan of distribution, and take all such action as may be required in order to permit the Company to comply with all applicable requirements of the SEC and any applicable state securities laws and to obtain any desired acceleration of the

effective date of any registration statement prepared and filed by the Company pursuant to this Agreement.

(c) Each Series A Holder agrees, that if the managing underwriter so requires, whether or not any of such Series A Holder's Registrable Securities are included in such registration, not to effect any sale or distribution, including any sale pursuant to Rule 144 of the Securities Act, of any securities of the Company which are similar to the securities included in such registration (other than as part of the underwritten offering), without the consent of the managing underwriter(s), for a period of 120 days after the date a request for registration is made pursuant to Section 2(a) hereof; provided, however, that if the registration statement filed in connection therewith becomes effective within such 120-day period, such 120-day period shall be extended for such period as may be required pursuant to the terms and conditions of any underwriting agreement entered into in connection with such proposed registration.

(d) The Series A Holder(s) shall, if requested by the Company or the managing underwriter(s) in connection with any proposed registration and distribution pursuant to this Agreement, (i) agree to sell the Subject Shares on the basis provided in any underwriting arrangements entered into in connection therewith and (ii) complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreement and other documents customary in similar offerings.

(e) Upon receipt of any notice from the Company that the Company has become aware that the prospectus (including any preliminary prospectus) included in any registration statement filed pursuant to Section 2(a) hereof, as then in effect, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, the Series A Holder(s) shall forthwith discontinue disposition of Subject Shares pursuant to the registration statement covering the same until the Series A Holders' receipt of copies of a supplemented or amended prospectus and, if so directed by the Company, deliver to the Company all copies other than permanent file copies then in the Series A Holder's possession, of the prospectus covering the Subject Shares that was in effect prior to such amendment or supplement.

(f) The Company shall pay all out-of-pocket expenses incurred in connection with the Demand Registration Statement for each of the Series A Holders filed pursuant to Section 2(a) of this Agreement, except as otherwise set forth in this paragraph. Such expenses shall include, without limitation, all SEC and blue sky registration and filing fees (including NASD fees), printing expenses, transfer agents and registrars' fees, fees and disbursements of the Company's counsel and accountants and fees and disbursements of experts used by the Company in connection with such registration statement. Series A Holders shall pay all underwriting discounts, commissions and expenses attributable to the Subject Shares sold pursuant to all registration statements and the fees and expenses of their legal counsel and any other advisors.

4. Conditions Precedent to Registration. The Company's obligations under this Agreement to effect the registration of any Registrable Securities are subject to the agreement to and the performance by the holders of such Registrable Securities of the obligations of such Series A Holder(s) contained in this Agreement. Unless a Series A Holder shall, if requested by the Company, complete, execute and deliver all agreements, questionnaires, indemnities and other documents customary in a proposed registration or deemed necessary by the Company to evidence such Series A Holder's agreements and obligation under this Agreement, the Company will have no obligation to register such Series A Holder's Registrable Securities.

5. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery or delivery by telex (with correct answer back received), telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the first business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual service, fully prepaid, addressed to such address, or upon actual receipt of such mailing whichever shall first occur. The addresses for such communications shall be:

If to the Company:

Dollar General Corporation
104 Woodmont Blvd.
Suite 500
Nashville, TN 37205
Attention: Bob R. Carpenter

with a copy to:

Bass, Berry & Sims First American Center, 27th Floor Nashville, TN 37238 Telecopy: (615)742-6293 Attention: James H. Cheek, III

If to a Series A Holder,

to the address of such Series A Holder shown on the stock ledger books of the Company.

with a copy to:

Sherrard & Roe 424 Church Street, Suite 2000 Third Financial Center Nashville, TN 37219-2319 Attention: Thomas J. Sherrard

The Company may from time to time change its address for notices under this Section 5 by giving at least 10 days' written notice of such changed address to each of the Series A Holders. Each Series A Holder may from time to time change its address for notices under this Section 5 by giving at least 10 days' written notice of such changed address to the Company.

6. Heading. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

7. Binding Effect; Amendments. This Agreement shall be binding upon and inure to the benefit of the Company and the Series A Holders; provided, however, that the Company may amend, modify, or supplement this Agreement at any time without the consent of the Series A Holders if it determines that such action is in the best interests of the Company and its shareholders as a whole.

8. No Third Party Beneficiaries. This Agreement is intended for the benefit of the Company and the Series A Holders and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

9. Expiration Date. This Agreement shall expire on August 22, 1997.

10. Governing Law. Upon acceptance by the Series A Holders, this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Tennessee, without regard to the principles of conflicts of laws.

IN WITNESS WHEREOF, this Agreement has been executed by the Company's duly authorized officer, the Trust's duly authorized Trustee(s) and each of the immediate beneficiaries of the Trust, each as of the date hereof.

DOLLAR GENERAL CORPORATION

By: /s/ Bob Carpenter
Name: Bob Carpenter
Title: VP - CAO

SERIES A HOLDERS:

TURNER CHILDREN TRUST
DATED JANUARY 21, 1980

By: /s/ James Stephen Turner
Title: Trustee

BENEFICIARIES OF THE TURNER CHILDREN TRUST
DATED JANUARY 21, 1980

/s/ Cal Turner, Jr.
Cal Turner, Jr.

/s/ James Stephen Turner
James Stephen Turner

/s/ Laura Turner Dugas
Laura Turner Dugas

/s/ Betty Turner Campbell
Elizabeth Turner Campbell

EXHIBIT 99.1

Media Contact: Cabot Pyle Investor Contact: Kent Garner
(615) 783-2028 (615) 783-2003

DOLLAR GENERAL STABILIZES BLOCK OF COMMON STOCK

August 22, 1994, Nashville, TN -- Dollar General Corporation (Nasdaq: DOLR) announced today that its board of directors approved a transaction which will stabilize a significant block of the common stock of the Company and provide a cash flow benefit to the Company. The transaction will have no effect on the Company's earnings per share.

Chairman, President and CEO Cal Turner, Jr. made the announcement saying, "Stabilizing this block of common stock owned by the Turner family accomplishes two very important things. First, it should help alleviate any market uncertainty concerning the disposition of the significant block of the Company's common stock held by our family. Second, it serves to further strengthen our family's commitment to the Company for the long term."

The transaction, which was closed today, took the form of an exchange of 1,715,742 shares of a previously authorized but unissued series of Dollar General convertible preferred stock for the 8,578,710 shares of Dollar General common stock owned by CTS, Inc., a personal holding company controlled by members of the Turner family, the founders of Dollar General.

Through CTS, members of the Turner family control 16.2% of the voting power of the Company's common stock. As preferred stock holders, the Turner family will continue to have the same voting power with the common stock on all matters. This transaction, negotiated and recommended by a special committee of independent members of Dollar General's board of directors, came in response to a request to the board of directors from CTS to consider a transaction which meets certain estate planning needs of the Turner family.

The board of directors retained Equitable Securities Corporation of Nashville, Tennessee, as financial advisor to review the transaction on behalf of the special committee and the board of directors. In the opinion of Equitable Securities, the transaction is fair from a financial point of view to the non-CTS shareholders of Dollar General. In addition, Dollar General's independent auditors, Coopers & Lybrand, confirmed to the board of directors that the attached pro forma financial statements reflect the appropriate adjustment resulting from this transaction, and that there is no reduction in total shareholders' equity or earnings per share.

To stabilize this block of stock, terms of the exchange agreement between Dollar General and CTS state that the shares of the preferred stock generally have no right to convert to common stock during the first two years following the exchange. During the succeeding three years, the preferred stock may be converted by the holders at graduated rates less than the original 5:1 exchange ratio subject to adjustment for stock dividends or splits. Additionally, the transferability of the preferred stock is restricted to the three original CTS shareholders and the current direct beneficiaries of one such shareholder, the Turner Children Trust. An annual cash flow benefit to Dollar General will be realized because holders of the preferred stock will receive only 90% of the cash dividend payable on the common stock.

Dollar General is a chain of 1,893 neighborhood stores operating in 24 states with distribution centers in Kentucky and Georgia. The Company's common stock is traded on the Nasdaq National Market System.

PRO FORMA FINANCIAL STATEMENTS TO FOLLOW

DOLLAR GENERAL CORPORATION
PRO FORMA INCOME STATEMENTS
For six months ended July 31, 1994
(000)

(unaudited)

	July 31, 1994				
	As Reported		Adjusted For Transaction		Difference
Sales*	$604,409	100.00%	$604,409	100.00%	$ 0
Cost of Sales	436,721	72.26%	436,721	72.26%	0
LIFO Gross Margin	167,688	27.74%	167,688	27.74%	0
Operating Expenses	128,940	21.33%	128,940	21.33%	0
Operating Income	38,748	6.41%	38,748	6.41%	0
Interest Expense	1,039	0.17%	1,039	0.17%	0
Pre-Tax Income	37,709	6.24%	37,709	6.24%	0
Taxes	14,235	2.36%	14,235	2.36%	0
Net Income	$ 23,474	3.88%	$ 23,474	3.88%	$ 0
Net Income per share	$0.43		$0.43		
Weighted Average Shares Outstanding	54,914		54,914		

* Includes franchise stores sales of $1,881 in 1994.

DOLLAR GENERAL CORPORATION
PRO FORMA BALANCE SHEETS
As of July 31, 1994
(000)

(Unaudited)

	As Reported	July 31, 1994 Adjusted for Transaction	Difference
ASSETS			
Current assets:			
Cash and cash equivalents	$ 26,764	$ 26,850	$ 86
Merchandise inventories	332,551	332,551	0
Deferred income taxes	10,808	10,808	0
Other current assets	10,757	10,757	0
Income taxes	2,215	2,215	0
TOTAL CURRENT ASSETS	383,095	383,181	86
Property & equipment, at cost	147,779	147,779	0
Less: Accumulated depreciation	(54,580)	(54,580)	0
	93,199	93,199	0
Other assets	4,719	4,719	0
TOTAL ASSETS	$ 481,013	$ 481,099	$ 86
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	$ 1,303	$ 1,303	$ 0
Short-term borrowings	62,000	62,000	0
Accounts payable	91,515	91,515	0
Accrued expenses	49,418	49,418	0
Income taxes	0	0	0
TOTAL CURRENT LIABILITIES	204,236	204,236	0
Long-term debt	4,669	4,669	0
Deferred income taxes	2,563	2,563	0
TOTAL LIABILITIES	211,468	211,468	0
Shareholders' equity:			
Preferred stock	0	858	858
Common stock	27,248	27,248	0
Additional paid-in capital	75,372	271,824	196,452
Retained earnings	169,308	169,394	86
	271,928	469,324	197,396
Less: Treasury stock	(2,383)	(199,693)	(197,310)
TOTAL STOCKHOLDERS' EQUITY	269,545	269,631	86
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 481,013	$ 481,099	$ 86

DOLLAR GENERAL CORPORATION
PRO FORMA STATEMENTS OF CASH FLOWS
For the six months ended July 31, 1994
(Unaudited)

(000)

	As Reported	Adjusted for Transaction	Difference
Cash flows from operating activities:			
Net Income	$ 23,474	$ 23,474	$ 0
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	7,805	7,805	0
Deferred income taxes	(1,144)	(1,144)	0
Change in operating assets and liabilities:			
Merchandise inventories	(72,509)	(72,509)	0
Accounts payable	10,475	10,475	0
Accrued expenses	1,512	1,512	0
Income taxes	(652)	(652)	0
Other	(2,021)	(2,021)	0
Net cash provided (used) by operating activities	(33,060)	(33,060)	0
Cash flows (used) in investing activities:			
Purchase of property and equipment	(23,852)	(23,852)	0
Net cash (used) by investing activites	(23,852)	(23,852)	0
Cash flows provided (used) by financing activities:			
Issuance of short-term borrowings	44,000	44,000	0
Repayments of short-term borrowings	0	0	0
Repayments of long-term debt	(1,040)	(1,040)	0
Payments of cash dividends	(5,333)	(5,247)	86
Proceeds from exercise of stock options	5,899	5,899	0
Tax effect of stock options	4,785	4,785	0
Other	0	0	0
Net cash provided by financing activities	48,311	48,397	86
Net increase (decrease) in cash and cash equivalents	(8,601)	(8,515)	86
Cash and cash equivalents beginning of period	35,365	35,365	0
Cash and cash equivalents end of period	$ 26,764	$ 26,850	$ 86

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