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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**POST-EFFECTIVE AMENDMENT NO. 1  
TO  
FORM S-8**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

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**DOLLAR TREE, INC.**  
(Exact name of registrant as specified in its charter)

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**VIRGINIA**  
(State or other jurisdiction of  
incorporation or organization)

**26-2018846**  
(I.R.S. Employer  
Identification No.)

**500 VOLVO PARKWAY  
CHESAPEAKE, VIRGINIA 23320**  
(Address of registrant's principal executive offices)

**DOLLAR TREE, INC.  
STOCK INCENTIVE PLAN**  
(Full title of the plan)

*with a copy to:*

**BOB SASSER  
DOLLAR TREE, INC.  
500 VOLVO PARKWAY  
CHESAPEAKE, VA 23320  
(757) 321-5000**  
(Name, address and telephone number of agent for service)

**WILLIAM A. OLD, JR.  
JOHN S. MITCHELL, JR.  
WILLIAMS MULLEN  
999 WATERSIDE DRIVE, SUITE 1700  
NORFOLK, VIRGINIA 23510  
(757) 622-3366**

## EXPLANATORY NOTE

This post-effective amendment is being filed pursuant to Rule 414 under the Securities Act of 1933, as amended (the "Securities Act"), to reflect the adoption by Dollar Tree Stores, Inc., a Virginia corporation (the "Predecessor Registrant"), of a holding company form of organizational structure. The holding company organizational structure was implemented by the merger (the "Merger"), in accordance with Section 13.1-719.1 of the Virginia Stock Corporation Act, of Dollar Tree Merger Sub, Inc., a Virginia corporation, with and into the Predecessor Registrant, with the Predecessor Registrant being the surviving corporation. In the Merger, which was consummated on March 2, 2008 (the "Effective Time"), each share of the issued and outstanding common stock of the Predecessor Registrant was converted into one share of common stock of Dollar Tree, Inc., a Virginia corporation (the "Registrant"). Pursuant to the Merger, the Predecessor Registrant became a direct, wholly-owned subsidiary of the Registrant.

This Post-Effective Amendment No. 1 to Form S-8 pertains to the adoption by Registrant of Registration No. 333-41248, covering 4,500,000 shares of Predecessor Registrant's common stock. (Such amount may have subsequently been increased under Rule 416 and may have not included other plan shares registered on other registration statements.)

In accordance with Rule 414, the Registrant, as the successor issuer, expressly adopts this Registration Statement as its own for all purposes of the Securities Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act").

## PART II

### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

#### Item 3. Incorporation of Documents by Reference.

The following documents previously filed with the Securities and Exchange Commission (the "Commission") by the Registrant or the Predecessor Registrant pursuant to the Exchange Act are incorporated by reference herein:

- (a) The Predecessor Registrant's Annual Report on Form 10-K for fiscal year ended February 3, 2007, filed April 4, 2007;
- (b) The Predecessor Registrant's Current Reports on Form 8-K, filed with the Commission on February 8, 2007, February 28, 2007, March 20, 2007, March 21, 2007, March 28, 2007, April 2, 2007, May 11, 2007, May 30, 2007, June 22, 2007, June 25, 2007, June 27, 2007, August 9, 2007, August 29, 2007, August 31, 2007, September 18, 2007, October 4, 2007, October 19, 2007, October 30, 2007, November 8, 2007, November 28, 2007, December 7, 2007, January 23, 2008, February 7, 2008, February 22, 2008 and February 27, 2008, respectively and the Registrant's Current Reports on Form 8-K, filed with the Commission on March 3, 2008 and March 13, 2008;
- (c) The Predecessor Registrant's Quarterly Reports on Forms 10-Q for the periods ended May 5, 2007, filed June 14, 2007, August 4, 2007, filed September 12, 2007 and November 3, 2007, filed December 13, 2007;
- (d) All documents filed with the Commission by the Registrant pursuant to Section 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date hereof and prior to the filing of a post-effective amendment that indicates that all securities offered herein have been sold or which deregisters all securities then remaining unsold; and
- (e) The description of the Registrant's Capital Stock is incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on March 13, 2008, which updates the description of the Predecessor Registrant's Common Stock contained in the Predecessor Registrant's Exchange Act registration statement on Form 8-A dated March 6, 1995, filed with the Commission pursuant to Section 12 of the Exchange Act, including any amendment thereto or report filed for the purpose of updating such description.

Pursuant to Rule 12g-3(a) of the Exchange Act, the Registrant is the successor issuer with respect to the above documents previously filed by the Predecessor Registrant with the Commission and incorporated by reference herein. Any statement contained herein, or in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

#### Item 4. Description of Securities.

Not applicable. See Item 3(e) above.

#### Item 5. Interests of Named Experts and Counsel.

Not applicable.

#### Item 6. Indemnification of Directors and Officers.

Article 10 of Chapter 9 of Title 13.1 of the Code of Virginia, as amended (the "Code"), permits a Virginia corporation to indemnify any director or officer for reasonable expenses incurred in any legal proceeding in advance of final disposition of the proceeding, if the director or officer furnishes the corporation with a written statement of his or her good faith belief that he or she has met the standard of conduct prescribed by the Code and furnishes the corporation with a written undertaking to repay any funds advanced if it is ultimately determined that he or she did not meet the relevant standard of conduct. In addition, a corporation is permitted to indemnify a director or officer against liability incurred in a proceeding if a determination has been made by the disinterested members of the board of directors, special legal counsel or shareholders that the director or officer conducted himself or herself in good faith and otherwise met the required standard of conduct. In a proceeding by or in the right of the corporation, no indemnification shall be made in respect of any matter as to which a director or officer is adjudged to be liable to the corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director or officer has met the relevant standard of conduct. In any other proceeding, no indemnification shall be made if the director or officer is adjudged liable to the corporation on the basis that he or she improperly received a personal benefit. Corporations are given the power to make any other or further indemnity, including advance of expenses, to any director or officer that may be authorized by the articles of incorporation or any bylaw made by the shareholders, or any resolution adopted, before or after the event, by the shareholders, except an indemnity against willful misconduct or a

knowing violation of the criminal law. Unless limited by its articles of incorporation, indemnification against the reasonable expenses incurred by a director or officer is mandatory when he or she entirely prevails in the defense of any proceeding to which he or she is a party because he or she is or was a director or officer.

The Articles of Incorporation of the Registrant contain provisions indemnifying the directors and officers of the Registrant to the full extent permitted by Virginia law. In addition, the Articles of Incorporation of the Registrant eliminate the personal liability of the Registrant's directors and officers to the Registrant or its shareholders for monetary damages to the full extent permitted by Virginia law.

The Registrant maintains a standard policy of officers' and directors' liability insurance.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

The Exhibits to this registration statement are listed in the Index to Exhibits, which immediately follows the signature pages hereto.

**Item 9. Undertakings.**

(a)The undersigned Registrant hereby undertakes:

(1)To file, during any period in which offers or sales are being made, a post effective amendment to this Registration Statement:

(i)To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii)To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii)To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

*Provided, however,* that paragraphs (a)(1)(i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement,

(2)That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3)To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b)The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c)Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the indemnification provisions summarized in Item 6, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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## SIGNATURE

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chesapeake, Commonwealth of Virginia, on this 13th day of March 2008.

DOLLAR TREE, INC.

By: /s/ Bob Sasser  
Bob Sasser  
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
<u>*</u> Macon F. Brock, Jr.	Chairman of the Board	March 13, 2008
<u>/s/ Bob Sasser</u> Bob Sasser	President, Chief Executive Officer and Director	March 13, 2008
<u>/s/ Kathleen Mallas</u> Kathleen Mallas	Controller, Vice President and Assistant Secretary	March 13, 2008
<u>*</u> Arnold S. Barron	Director	March 13, 2008
<u>*</u> Mary Anne Citrino	Director	March 13, 2008
<u>*</u> H. Ray Compton	Director	March 13, 2008
<u>*</u> Richard G. Lesser	Director	March 13, 2008
<u>*</u> Lemuel E. Lewis	Director	March 13, 2008
<u>*</u> J. Douglas Perry	Director	March 13, 2008
<u>*</u> Thomas A. Saunders, III	Director	March 13, 2008
<u>*</u> Eileen R. Scott	Director	March 13, 2008
<u>*</u> Thomas E. Whiddon	Director	March 13, 2008
<u>*</u> Alan Wurtzel	Director	March 13, 2008
<u>*</u> Dr. Carl P. Zeithaml	Director	March 13, 2008

\* Bob Sasser, by signing his name hereto, signs this document on behalf of each of the persons indicated by an asterisk above pursuant to powers of attorney duly executed by such persons and filed with the Securities and Exchange Commission as described in the index of exhibits to this registration statement.

By: /s/ Bob Sasser

Bob Sasser  
March 13, 2008

## INDEX OF EXHIBITS

Exhibit Number	Description
*3.1	Articles of Incorporation of the Registrant, attached as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on March 3, 2008.
*3.2	Bylaws of the Registrant, attached as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on March 3, 2008.
*4.1	Form of Common Stock Certificate, attached as Exhibit 4.1 to Registrant's Current Report on Form 8-K filed on March 13, 2008.
**5.1	Opinion of Williams Mullen.
**10.1	Dollar Tree, Inc. Stock Incentive Plan.
**23.1	Consent of KPMG LLP.
**23.2	Consent of Williams Mullen (included in Exhibit 5.1).
*24.1	Powers of Attorney, attached as Exhibit 24.1 to the Registrant's post-effective amendment to Registration Statement on Form S-8 (Registration No. 333-126286) filed on March 13, 2008.
*	Previously filed.
**	Filed herewith.

**Opinion of Williams Mullen**

March 13, 2008

Dollar Tree, Inc.  
500 Volvo Parkway  
Chesapeake, Virginia 23320

RE: Registration Statement on Form S-8, as amended (No. 333-41248) ("Registration Statement") with respect to the Dollar Tree, Inc. Stock Incentive Plan (the "Plan")

Ladies and Gentlemen:

We have acted as counsel to Dollar Tree, Inc., a Virginia corporation (the "Company"), in connection with the preparation and filing with the Securities and Exchange Commission (the "Commission") of the Company's Post-Effective Amendment (the "Post-Effective Amendment") to the above-referenced Registration Statement to be filed as of the date of this letter, originally filed by Dollar Tree Stores, Inc. (the "Predecessor").

The Company became the successor to the Predecessor on March 2, 2008 as a result of a merger (the "Merger") of the Predecessor with its indirect, wholly-owned subsidiary, Dollar Tree Merger Sub, Inc. ("MergerSub"). The Predecessor survived the Merger, the separate corporate existence of MergerSub ceased and the Predecessor became a direct, wholly-owned subsidiary of the Company. The Merger was consummated in accordance with Section 13.1-719.1 of the Virginia Stock Corporation Act ("Act"), which provides for the formation of a holding company without a vote of stockholders of the constituent corporations.

The above-referenced Registration Statement, as amended by the Post-Effective Amendment, relates to the issuance of up to those shares of Common Stock (the "Shares") available for issuance under the Plan and described in the Registration Statement, as amended.

We have examined such documents, records, and matters of law as we have deemed necessary for purposes of this opinion. In such examinations we have assumed the genuineness of all signatures on all original documents, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all copies submitted to us, the authenticity of the originals of documents submitted to us as copies, and the due execution and delivery of all documents where due execution and delivery are prerequisite to the effectiveness thereof.

As to questions of fact material to this opinion, we have relied solely upon certificates and statements of officers of the Company and certain public officials. We have assumed and relied upon the accuracy and completeness of such certificates and statements, the factual matters set forth therein, and the genuineness of all signatures thereon, and nothing has come to our attention leading us to question the accuracy of the matters set forth therein. We have made no independent investigation with regard thereto and, accordingly, we do not express any view or belief as to matters that might have been discovered by independent verification.

Based upon and subject to the foregoing, we are of the opinion that the Shares being registered for sale pursuant to the Registration Statement have been duly authorized and, when issued and delivered upon the exercise or settlement of awards in accordance with the provisions of the Plan (and receipt by the Company of consideration for the Shares, if any, required by such awards), the Shares will be legally and validly issued, fully-paid and non-assessable.

This opinion letter is limited to the Virginia Stock Corporation Act and the federal laws of the United States of America.

We consent to the use of this opinion as an exhibit to the Post-Effective Amendment. In giving such consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the Rules and Regulations of the Securities and Exchange Commission promulgated under the Securities Act of 1933.

Very truly yours,

/s/ Williams Mullen

- END OF EXHIBIT 5.1 -

**DOLLAR TREE, INC.  
STOCK INCENTIVE PLAN**

THIS DOLLAR TREE, INC. INCENTIVE PLAN ("Plan") is made by Dollar Tree, Inc. and its member companies ("Company").

ARTICLE 1  
PURPOSE

The purpose of the Plan is to advance the interests of the Company and its shareholders by enhancing the Company's ability to attract and retain qualified persons to perform services for the Company, by providing incentives to such persons to put forth maximum efforts for the Company and by rewarding persons who contribute to the achievement of the Company's economic objectives.

ARTICLE 2  
DEFINITIONS

The following terms have the meanings set forth below, unless the context otherwise requires:

2.1       Affiliate. With respect to any Person, (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee, or holder of ten percent (10%) or more of the voting interests of any Person described in clauses (i) through (iii) of this sentence. For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

2.2       Board. The Board of Directors of the Company.

2.3       Code. The Internal Revenue Code of 1986, as amended.

2.4       Committee. The group of individuals administering the Plan, as provided in Article 3 of the Plan.

2.5       Common Stock. The common stock \$0.01 par value of the Company or the number and kind of shares of stock or other securities into which such Common Stock may be changed in accordance with Section 4.3 of the Plan.

2.6       Disability. The permanent and total disability of the Participant within the meaning of Section 22(e)(3) of the Code.

2.7       Eligible Recipient. All employees (including, without limitation, officers and directors who are also employees), Outside Directors, consultants and independent contractors of the Company or any Member Company.

2.8       Exchange Act. The Securities Exchange Act of 1934, as amended.

2.9       Fair Market Value. The Fair Market Value of the Common Stock shall be:

2.9.1       If the Common Stock is listed or admitted to unlisted trading privileges on any national securities exchange or is not so listed or admitted but transactions in the Common Stock are reported on the Nasdaq National Market System, the last sale price of the Common Stock on such exchange or reported by the Nasdaq National Market system as of such date (or if no shares were traded on such day, as of the next preceding day on which there was such a trade).

2.9.2       If the Common Stock is not so listed or admitted to unlisted trading privileges or reported on the Nasdaq National Market system, and bid and asked prices therefor in the over-the-counter market are reported by the Nasdaq Small Cap Market® or the National Quotation Bureau, Inc. (or any comparable reporting service), the mean of the closing bid and asked prices as of such date, as so reported by the Nasdaq System, or, if not so reported thereon, as reported by the National Quotation Bureau, Inc. (or such comparable reporting service).

2.9.3       If the Common Stock is not so listed or admitted to unlisted trading privileges, or reported on the Nasdaq National Market system, and such bid and asked prices are not so reported, such price as the Committee determines in good faith in the exercise of its reasonable discretion.

2.10       Incentive Stock Option. The right to purchase Common Stock granted to an Eligible Recipient pursuant to Article 6 of the Plan that qualifies as an "incentive stock option" within the meaning of Section 422 of the Code.

2.11       Member Company. Member Company means any "parent corporation" or "subsidiary corporation" (within the meaning of Section 424 of the Code) of the Company, including a corporation that becomes a Member Company after the adoption of this Plan, that the Committee designates as a participating employer in the Plan.

2.12       Non-Statutory Stock Option. The right to purchase Common Stock granted to an Eligible Recipient pursuant to Article 6 or Article 7 of the Plan that does not qualify as an Incentive Stock Option.

2.13       Option. An Incentive Stock Option or a Non-Statutory Stock Option.

2.14       Outside Director. A member of the Board who is not an employee of the Company, Saunders Karp & Co., or any Affiliate thereof and who satisfies the definition of: (i) a non-employee director pursuant to Rule 16b-3 of the Exchange Act, and (ii) an "outside director" pursuant to Section 162(m) of the Code.

2.15       Participant. An Eligible Recipient who receives one or more Options under the Plan.

2.16 Person. Any individual, corporation, partnership, group, association or other "person" (as such term is used in Section 14(d)(2) of the Exchange Act), other than the Company, any Member Company or any employee benefit plan sponsored by the Company or a Member Company.

2.17 Previously Acquired Shares. Shares of Common Stock that are already owned by the Participant and shares of Common Stock that could be acquired by the Participant pursuant to the exercise of an Option.

2.18 Retirement. The retirement of a Participant pursuant to and in accordance with the regular or, if approved by the Board for purposes of the Plan, any early retirement plan or practice of the Company or Member Company then covering the Participant.

2.19 Securities Act. The Securities Act of 1933, as amended.

### ARTICLE 3 PLAN ADMINISTRATION

3.1 The Committee. The Plan shall be administered by the Board or by a committee of the Board consisting of not less than two persons. However, from and after the date on which the Company first registers a class of its equity securities under Section 12 of the Exchange Act, the Plan shall be administered by a committee appointed by the Board consisting of not less than two Board members; provided, that all of the members of the committee shall be "non-employee directors" within the meaning of Rule 16b-3 under the Exchange Act. From and after the date on which Section 162(m) of the Code becomes applicable to the Plan, all members of the committee shall also be "outside directors" within the meaning of Section 162(m) of the Code. Members of such a committee, if established, shall be appointed from time to time by the Board, shall serve at the pleasure of the Board and may resign at any time upon written notice to the Board. In the event one or more member(s) of the Board is both an employee of the Company and permitted to serve on the committee under applicable provisions of Rule 16b-3 of the Exchange Act and Section 162(m) of the Code, at least one such Board member shall be a member of the committee. In the event one or more member(s) of the Board is both an employee of Saunders Karp & Co. and permitted to serve on the committee under applicable provisions of Rule 16b-3 of the Exchange Act and Section 162(m) of the Code, at least one such Board member shall be a member of the committee. A majority of the members of such a committee shall constitute a quorum. Such a committee shall act by majority approval of the members, shall keep minutes of its meetings and shall provide copies of such minutes to the Board. Action of such a committee may be taken without a meeting if unanimous written consent is given. Copies of minutes of such a committee's meetings and of its actions by written consent shall be provided to the Board and kept with the corporate records of the Company. As used in this Plan, the term "Committee" will refer to the Board or to such a committee, if established.

3.2 Authority of the Committee.

3.2.1 In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine (i) the Eligible Recipients who shall be selected as Participants, (ii) the nature and extent of the Options to be granted to each Participant (including the number of shares of Common Stock to be subject to each Option, the exercise price and the manner in which Options will vest or become exercisable), (iii) the time or times when Options will be granted, (iv) the duration of each Option, (v) the restrictions and other conditions to which the exercisability or vesting of Options may be subject, and (vi) such other provisions of the Options as the Committee may deem necessary or desirable and as consistent with the terms of the Plan. The Committee shall determine the form or forms of the option agreements with Participants which shall evidence the particular terms, conditions, rights and duties of the Company and the Participants with respect to Options granted pursuant to the Plan, which agreements shall be consistent with the provisions of the Plan.

3.2.2 With the consent of the Participant affected thereby, the Committee may amend or modify the terms of any outstanding Option in any manner, provided that the amended or modified terms are permitted by the Plan as then in effect. Without limiting the generality of the foregoing sentence, the Committee may, with the consent of the Participant affected thereby, modify the exercise price, number of shares or other terms and conditions of an Option, extend the term of an Option, accelerate the exercisability or vesting or otherwise terminate any restrictions relating to an Option, accept the surrender of any outstanding Option, or, to the extent not previously exercised or vested, authorize the grant of new Options in substitution for surrendered Options.

3.2.3 The Committee shall have the authority to interpret the Plan and, subject to the provisions of the Plan, to establish, adopt and revise such rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Committee's decisions and determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated. Each determination, interpretation or other action made or taken by the Committee pursuant to the provisions of the Plan shall be conclusive and binding for all purposes and on all persons, including, without limitation, the Company and its Member Companies, the shareholders of the Company, the Committee and each of its members, the directors, officers and employees of the Company and its Member Companies, and the Participants and their successors in interest. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under the Plan.

### ARTICLE 4 STOCK SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to adjustment as provided in Section 4.3 below, the maximum number of shares of Common Stock that shall be authorized and reserved for issuance under the Plan shall be 8,400,000 shares of Common Stock. No options for more than 60,000 shares may be granted to any one Participant in any calendar year. The maximum number of shares authorized may also be increased from time to time by approval of the Board and, if required pursuant to any tax or regulatory requirement the Board deems it desirable to comply with or seek relief under, the shareholders of the Company.

4.2 Shares Available for Use. Shares of Common Stock that may be issued upon exercise of Options shall be applied to reduce the maximum number of shares of Common Stock remaining available for use under the Plan. Any shares of Common Stock that are subject to an Option (or any portion thereof) that lapses, expires or for any reason is terminated unexercised shall become available for use under the Plan. Also, Previously Acquired Shares which are tendered to the Company in satisfaction or partial satisfaction of the Exercise Price pursuant to Section 6.6 or in satisfaction or partial satisfaction of withholding obligations pursuant to Article 10 shall become available for use under the Plan to the extent permitted by Rule 16b-3 of the Exchange Act.

4.3 Adjustments to Shares.

4.3.1 All shares reserved or held for issuance under the Plan, as well as shares of Common Stock covered by each outstanding Option, shall be proportionately adjusted for any increase or decrease in the Company's outstanding shares of Common Stock resulting from any stock split, reverse stock split, stock dividend, combination, or reclassification of Common Stock or any similar transaction effected without the receipt of consideration by the Company. Such adjustment shall be made by the Board, whose determination shall be final, binding, and conclusive. The Board shall also have the right to substitute or assume options in connection with mergers, reorganizations, or other transactions to which Section 424(a) of the Internal Revenue Code applies. The Board may increase the number of shares of Common Stock reserved for issuance under the Plan by the corresponding number of Options assumed, or in the case of substitution, by the net increase in the number of shares subject to Options before and after substitution.

4.3.2 Notwithstanding Section 4.3.1, there shall be no adjustment to the shares authorized pursuant to this Plan for an event described in Section 4.3.1 which occurs before or simultaneously with the date of closing of a public offering of the Common Stock of the Company pursuant to an effective registration statement under the Securities Act of 1933, as amended, which results in the Company or selling shareholders receiving aggregate proceeds from the public offering of at



least \$15,000,000.

## ARTICLE 5 PARTICIPATION

Except with respect to Outside Directors the terms of whose Options are governed by Article 7, Participants in the Plan shall be those Eligible Recipients who, in the judgment of the Committee, have performed, are performing, or during the term of an Option will perform, services in the management, operation and development of the Company or any Member Company, and significantly contributed, are significantly contributing or are expected to significantly contribute to the achievement of corporate economic objectives. Eligible Recipients may be granted from time to time one or more Options, as may be determined by the Committee in its sole discretion. The number, type, terms and conditions of Options granted to various Eligible Recipients need not be uniform, consistent or in accordance with any plan, regardless of whether such Eligible Recipients are similarly situated. Upon determination by the Committee that an Option is to be granted to an Eligible Recipient, written notice shall be given such person, specifying the terms, conditions, rights and duties related thereto. Each Eligible Recipient to whom an Option is to be granted shall enter into an agreement with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Options shall be deemed to be granted as of the date specified in the grant resolution of the Committee, and the related option agreements shall be dated as of such date.

## ARTICLE 6 STOCK OPTIONS

6.1 Grant. An Eligible Recipient may be granted one or more Options under the Plan, and such Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may designate whether an Option is to be considered an Incentive Stock Option or a Non-Statutory Stock Option; provided, however, that an Incentive Stock Option shall be granted only to an Eligible Recipient who is an employee of the Company or a Member Company. The terms of the agreement relating to a Non-Statutory Stock Option shall expressly provide that such Option shall not be treated as an Incentive Stock Option. No Options shall be granted to an Outside Director pursuant to this Article 6. Options shall be granted for no cash consideration unless minimal cash consideration is required by applicable law.

6.2 Exercise. An Option shall become exercisable at such times and in such installments (which may be cumulative) as shall be determined by the Committee in its sole discretion at the time the Option is granted. Upon the completion of its exercise period, an Option, to the extent not then exercised, shall expire.

6.3 Exercise Price.

6.3.1 Incentive Stock Options. The per share price to be paid by the Participant at the time an Incentive Stock Option is exercised shall be determined by the Committee, in its discretion, at the date of its grant; provided, however, that such price shall not be less than (i) 100% of the Fair Market Value of one share of Common Stock on the date the Option is granted, or (ii) 110% of the Fair Market Value of one share of Common Stock on the date the Option is granted if, at that time the Option is granted, the Participant owns, directly or indirectly (as determined pursuant to Section 424(d) of the Code), more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiary or parent corporation of the Company (within the meaning of Sections 424(f) and 424(e), respectively, of the Code).

6.3.2 Non-Statutory Stock Options. The per share price to be paid by the Participant at the time a Non-Statutory Stock Option is exercised shall be determined by the Committee in its sole discretion at the time the Option is granted; provided, however, that such price shall not be less than 100% of the Fair Market Value of one share of Common Stock on the date the Option is granted.

6.4 Duration.

6.4.1 Incentive Stock Options. The period during which an Incentive Stock Option may be exercised shall be fixed by the Committee in its sole discretion at the time such Option is granted; provided, however, that in no event shall such period exceed 10 years from its date of grant or, in the case of a Participant who owns, directly or indirectly (as determined pursuant to Section 424(d) of the Code), more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiary or parent corporation of the Company (within the meaning of Section 424(f) and 424(e), respectively, of the Code), five years from its date of grant.

6.4.2 Non-Statutory Stock Options. The period during which a Non-Statutory Stock Option may be exercised shall be fixed by the Committee in its sole discretion at its date of grant.

6.4.3 Effect of Termination of Employment or Other Service. Notwithstanding this Section 6.4, except as provided in Articles 8 and 9 of the Plan, all Options granted to a Participant shall terminate and may no longer be exercised upon the termination of the Participant's employment or other status with the Company and all Member Companies.

6.5 Manner of Exercise. An Option may be exercised by a Participant in whole or in part from time to time, subject to the conditions contained herein and in the agreement evidencing such Option, by delivery, in person or through certified or registered mail, of written notice of exercise to the Company at its principal executive office (Attention: Chief Financial Officer), and by paying in full the total Option exercise price for the shares of Common Stock purchased. Such notice shall be in a form satisfactory to the Committee and shall specify the particular Option (or portion thereof) that is being exercised and the number of shares with respect to which the Option is being exercised. Subject to compliance with Section 12.1 of the Plan, the exercise of the Option shall be deemed effective upon receipt of such notice and payment complying with the terms of the Plan and the agreement evidencing such Option. As soon as practicable after the effective exercise of the Option, the Participant shall be recorded on the stock transfer books of the Company as the owner of the shares purchased, and the Company shall deliver to the Participant one or more duly issued stock certificates evidencing such ownership. If a Participant exercises any Option with respect to some, but not all, of the shares of Common Stock subject to such Option, the right to exercise such Option with respect to the remaining shares shall continue until its expires or terminates in accordance with its terms. An Option shall only be exercisable with respect to whole shares.

6.6 Payment of Exercise Price. The total purchase price of the shares to be purchased upon exercise of an Option shall be paid entirely in cash (including check, bank draft or money order); provided, however, that the Committee, in its sole discretion, may allow such payments to be made, in whole or in part, by transfer from the Participant to the Company of Previously Acquired Shares. In determining whether or upon what terms and conditions a Participant will be permitted to pay the purchase price of an Option in a form other than cash, the Committee may consider all relevant facts and circumstances, including, without limitation, the tax and securities law consequences to the Participant and the Company and the financial accounting consequences to the Company. In the event the Participant is permitted to pay the purchase price of an Option in whole or in part with Previously Acquired Shares, the value of such shares shall be equal to their Fair Market Value on the date of exercise of the Option. No shares of Common Stock shall be delivered pursuant to exercise of any Option until payment in full of any amount required to be paid pursuant to the Plan or the applicable option agreement is, or is arranged to be, received by the Company.

6.7 Rights as a Shareholder. The Participant shall have no rights as a shareholder with respect to any shares of Common Stock covered by an Option until the Participant shall have become the holder of record of such shares, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date the Participant becomes the holder of record of such shares, except as the Committee may determine pursuant to Section 4.3 of the Plan.

6.8 Disposition of Common Stock Acquired Pursuant to the Exercise of Incentive Stock Options. Prior to making a disposition (as defined in Section 424(c) of the Code) of any shares of Common Stock acquired pursuant to the exercise of an Incentive Stock Option granted under the Plan before the expiration of two years after its date of grant or before the expiration of one year after its date of exercise and the date on which such shares of Common Stock were transferred to the Participant pursuant to exercise of the Option, the Participant shall send written notice to the Company of the proposed date of such disposition, the number of shares to be disposed of, the amount of proceeds to be received from such disposition and any other information relating to such disposition that the Company may reasonably request. The right of a Participant to make any such disposition shall be conditioned on the receipt by the Company of all amounts necessary to satisfy any federal, state or local withholding and employment-related tax requirements attributable to such disposition. The Committee shall have the right, in its sole discretion, to endorse the certificates representing such shares with a legend restricting transfer and to cause a stop transfer order to be entered with the Company's transfer agent until such time as the Company receives the amounts necessary to satisfy such withholding and employment-related tax requirements or until the later of the expiration of two years from its date of grant or one year from its date of exercise and the date on which such shares were transferred to the Participant pursuant to the exercise of the Option.

6.9 Aggregate Limitation of Stock Subject to Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined as of the date an Incentive Stock Option is granted) of the shares of Common Stock with respect to which incentive stock options (within the meaning of Section 422 of the Code) are exercisable for the first time by a Participant during any calendar year (under the Plan and any other incentive stock option plans of the Company or any subsidiary or any parent corporation of the Company (within the meaning of Sections 424(f) and 424(e), respectively, of the Code)) exceeds \$100,000 (or such other amount as may be prescribed by the Code from time to time), such excess Options shall be treated as Non-Statutory Stock Options. The determination shall be made by taking incentive stock options into account in the order in which they were granted. If such excess only applies to a portion of an incentive stock option, the Committee, in its discretion, shall designate which shares shall be treated as shares to be acquired upon exercise of an incentive stock option.

## ARTICLE 7 TERMS AND CONDITIONS OF OUTSIDE DIRECTOR OPTIONS

7.1 Grant. Subject to the terms and conditions of the Plan (other than Article 6), Options shall be granted to each Outside Director on the terms and conditions set forth in this Article 7. During the term of the Plan and provided that sufficient shares of Common Stock are available pursuant to Article 4:

7.1.1 An Outside Director shall be granted a Non-Statutory Stock Option for 7,500 shares of Common Stock upon his initial election to the Board.

7.1.2 Upon the conclusion of each Annual Meeting of the Shareholders of the Company ("Applicable Annual Meeting"), an Outside Director who was initially elected to the Board before the Applicable Annual Meeting shall be granted a Non-Statutory Stock Option pursuant to Section 7.1.2.1 or Section 7.1.2.2, as the case may be:

7.1.2.1 Each Outside Director who was initially elected to the Board after the Annual Meeting immediately preceding the Applicable Annual Meeting shall be granted a Non-Statutory Stock Option. The number of shares of Common Stock covered by each such Option shall be 7,500 multiplied by a fraction, the numerator of which shall be the number of calendar days that have elapsed between the date of initial election of such Outside Director and the Applicable Annual Meeting but not to exceed 365, and the denominator of which shall be 365; or

7.1.2.2 Each Outside Director who was initially elected to the Board on or before the Annual Meeting immediately preceding the Applicable Annual Meeting shall be granted a Non-Statutory Stock Option. The number of shares of Common Stock covered by each such Option, shall be 7,500.

7.1.3 Options shall be granted for no cash consideration unless minimal cash consideration is required by applicable law.

7.1.4 For purposes of Section 7.1.1, the date of an Outside Director's initial election to the Board shall be the date of grant for such Option. For purposes of Section 7.1.2, the date of the Applicable Annual Meeting shall be the date of grant for such Option.

7.1.5 When Non-Statutory Stock Options are granted to Outside Directors pursuant to this Section 7.1, the number of shares of Common Stock initially covered by such Options, which is stated in Section 7.1.1 and Section 7.1.2 above, shall not be subject to adjustment on account of any stock split, reverse stock split, stock dividend, combination, or reclassification of Common Stock or any similar transaction effected without the receipt of consideration by the Company.

7.2 Exercise Price. The purchase price of each share of Common Stock subject to an Option granted to an Outside Director pursuant to this Article 7 shall be 100% of the Fair Market Value of a share of Common Stock on the date of grant.

7.3 Exercise. Subject to the provisions of Section 7.4 hereof, Options granted to Outside Directors pursuant to Section 7.1 shall vest and become exercisable immediately, unless the Company is not subject to the requirement to file reports pursuant to Section 13 or 15(d) of the Exchange Act, in which case said Options shall vest and become exercisable immediately after the Company becomes subject to such requirement.

7.4 Duration Period. Each Option granted to an Outside Director pursuant to this Article 7 and all rights to purchase Common Stock thereunder shall terminate on the earliest of:

7.4.1 Ten years after the date such Option is granted;

7.4.2 Three years after the Outside Director is no longer a director of the Company; and

7.4.3 The expiration of the period specified in Section 8.5, whichever is applicable, after an Outside Director ceases to be a member of the Board.

In no event shall an Option be exercisable at any time after its original expiration date.

7.5 Manner of Exercise; Payment of Exercise Price; Rights as a Shareholder. The provisions of Sections 6.5, 6.6 and 6.7 regarding manner of exercise, payment of exercise price and rights of a shareholder, respectively, shall govern with respect to Outside Director Options.

## ARTICLE 8 EFFECT OF TERMINATION OF EMPLOYMENT OR OTHER SERVICE

8.1 Termination of Employment or Other Service Due to Death, Disability or Retirement. Subject to Section 8.5 relating to Outside Directors, except as otherwise provided in Article 9 of the Plan, in the event a Participant's employment or other service with the Company and all Member Companies is terminated by reason of such Participant's death, Disability or Retirement, all outstanding Options then held by the Participant shall become immediately exercisable in full and remain exercisable after such termination for a period of three months in the case of Retirement and one year in the case of death or Disability (but in no event after the expiration date of any

such Option).

8.2 Termination of Employment or Other Service for Reasons Other than Death, Disability or Retirement. Subject to Section 8.5 relating to Outside Directors, except as otherwise provided in Article 9 of the Plan or as otherwise determined by the Committee either at the time an Option is granted or thereafter, in the event of termination of the Participant's employment or other status with the Company and all Member Companies in relation to which the Option was granted for any reason other than death, Disability or Retirement, all rights of the Participant under the Plan shall immediately terminate without notice of any kind, and no Options then held by the Participant shall thereafter be exercisable; provided, however, that if such termination is due to any reason other than termination by the Company or any Member Company for "cause," all outstanding Options then held by such Participant shall remain exercisable to the extent exercisable as of such termination for a period of three months after such termination (but in no event after the expiration date of any such Option). For purposes of this Section 8.2, "cause" shall be as defined in any employment or other agreement or policy applicable to the Participant or, if no such agreement or policy exists, shall mean (a) dishonesty, fraud, misrepresentation, embezzlement or material or deliberate injury or attempted injury, in each case related to the Company or any Member Company, (b) any unlawful or criminal activity of a serious nature, (c) any willful breach of duty, habitual neglect of duty or unreasonable job performance, or (d) any material breach of a confidentiality or noncompetition agreement entered into with the Company or any Member Company.

8.3 Modification of Effect of Termination. Notwithstanding the provisions of this Article 8, upon a Participant's termination of employment or other status with the Company and all Member Companies with respect to which Options were granted, the Committee may, in its sole discretion (which may be exercised before or following such termination) cause Options, or any portions thereof, then held by such Participant to become exercisable and remain exercisable following such termination in the manner determined by the Committee; provided, however, that no Option shall be exercisable after the expiration date thereof and any Incentive Stock Option that remains unexercised more than three months following employment termination by reason of Retirement or more than one year following employment termination by reason of death or Disability shall thereafter be deemed to be a Non-Statutory Stock Option.

8.4 Date of Termination. Unless the Committee shall otherwise determine in its sole discretion, a Participant's employment or other service shall, for purposes of the Plan, be deemed to have terminated on the date such Participant ceases to perform services for the Company and all Member Companies, as determined in good faith by the Committee.

8.5 Cessation of Participant as an Outside Director. In the event that an Outside Director's service on the Board ceases due to death, disability or retirement, all outstanding options then held by the Outside Director shall remain exercisable for a period of three years following the cessation of service. Except as otherwise provided by the Board, in the event that an Outside Director's service on the Board ceases due to resignation, or other voluntary removal, vested and exercisable shares shall remain exercisable for a period of one year following the cessation of service. In any event, if an Outside Director is involuntarily removed for breach of duty, dishonesty or any other cause, all vested and exercisable shares of options awarded under the Plan are immediately forfeited.

## ARTICLE 9 CHANGE OF CONTROL

9.1 Change in Control. For purposes of this Article 9, a "Change in Control" of the Company shall mean (a) the sale, lease, exchange or other transfer of all or substantially all of the assets of the Company (in one transaction or in a series of related transactions) to a corporation that is not controlled by the Company, (b) the approval by the shareholders of the Company of any plan or proposal for the liquidation or dissolution of the Company, (c) a successful tender offer for the Common Stock of the Company, after which the tendering party holds more than 30% of the issued and outstanding Common Stock of the Company, or (d) a merger, consolidation, share exchange, or other transaction to which the Company is a party pursuant to which the holders of all of the shares of the Company outstanding prior to such transaction do not hold, directly or indirectly, at least 70% of the outstanding shares of the surviving company after the transaction.

9.2 Acceleration of Vesting. If a Change of Control of the Company shall occur, the Committee, in its sole discretion, may determine that all outstanding Options shall become immediately exercisable in full and shall remain exercisable during the remaining term thereof, regardless of whether the employment or other status of the Participants with respect to which Options have been granted shall continue with the Company or any Member Company. This provision regarding acceleration of vesting shall not apply to Options granted to Outside Directors pursuant to Article 7.

9.3 Cash Payment. If a Change of Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Options shall receive, with respect to some or all of the shares of Common Stock subject to such Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the excess of the Fair Market Value of such shares immediately prior to the effective date of such Change of Control of the Company over the exercise price per share of such Options. This provision regarding cash payment shall not apply to Options granted to Outside Directors pursuant to Article 7.

9.4 Limitation on Change in Control Payments. Notwithstanding anything in Section 9.2 or 9.3 above to the contrary, if, with respect to a Participant, the acceleration of the exercisability of an Option as provided in Section 9.2 or the payment of cash in exchange for all or part of an Option as provided in Section 9.3 above (which acceleration or payment could be deemed a "payment" within the meaning of Section 280G(b)(2) of the Code), together with any other payments which such Participant has the right to receive from the Company or any corporation which is a member of an "affiliated group" as defined in Section 1504(a) of the Code without regard to Section 1504(b) of the Code) of which the Company is a member, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the acceleration of exercisability and the payments to such Participant pursuant to Sections 9.2 and 9.3 above shall be reduced to the largest extent or amount as, in the sole judgment of the Committee, will result in no portion of such payments being subject to the excise tax imposed by Section 4999 of the Code.

## ARTICLE 10 RIGHT TO WITHHOLD; PAYMENT OF WITHHOLDING TAXES

The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts which may be due and owing to the Participant from the Company) or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state and local withholding and employment-related tax requirements (i) attributable to the grant or exercise of an Option or to a disqualifying disposition of stock received upon exercise of an Incentive Stock Option, or (ii) otherwise incurred with respect to an Option, or (b) require the Participant promptly to remit the amount of such withholding liability to the Company before taking any action with respect to the exercise of an Option or the issuance of any stock certificate either to the Participant or any transferee. The Committee, in its sole discretion, may permit a Participant to pay all or a portion of such withholding liability either by surrendering Previously Acquired Shares already owned by the Participant or by electing to have the Company retain shares subject to the Option, provided that the Committee determines that the fair market value of the surrendered Previously Acquired Share or the retained shares is equal to such withholding liability.

## ARTICLE 11 RIGHTS OF ELIGIBLE RECIPIENTS AND PARTICIPANTS; TRANSFERABILITY

11.1 Employment or Service. Nothing in the Plan shall interfere with or limit in any way the right of the Company or any Member Company to terminate the employment or service of any Eligible Recipient or Participant at any time, or confer upon any Eligible Recipient or Participant any right to continue in the employ or service of the Company or any Member Company.

11.2 Restrictions on Transfer. Other than as explicitly permitted in this Section 11.2, no right or interest of any Participant in an Option prior to the exercise of such Options shall be assignable or transferrable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, including execution, levy, garnishment, attachment, pledge, divorce or bankruptcy.

11.2.1 In the event of a Participant's death, such Participant's rights and interest in Options shall be transferrable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options (to the extent permitted pursuant to Article 8 of the Plan) may be made by, the Participant's legal representatives, heirs or legatees.

11.2.2 If in the opinion of the Committee a Participant holding an Option is disabled from caring for his or her affairs because of mental condition, physical condition or age, any payments due the Participant may be made to, and any rights of the Participant under the Plan shall be exercised by, such Participant's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

11.2.3 Options may be transferred to a Participant's family member who has acquired the options from the employee through a gift or a qualified domestic relations order (as defined by the Code). For purposes of this Section, "family member" includes any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the employee's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the employee) control the management of assets, and any other entity in which these persons (or the employee) own more than fifty percent of the voting interests. Options may not be transferred for value, provided that the following transactions are not prohibited transfers for value: (i) a transfer under a domestic relations order in settlement of marital property rights; and (ii) a transfer to an entity in which more than fifty percent of the voting interests are owned by family members (or the Participant) in exchange for an interest in that entity. This Section 11.2.3 shall not apply to Incentive Stock Options.

11.3 Non-Exclusivity of the Plan. Nothing contained in the Plan is intended to amend, modify or rescind any previously approved compensation plans or programs entered into by the Company. The Plan will be construed to be in addition to any and all such other plans or programs. Neither the adoption of the Plan nor the submission of the Plan to the shareholders of the Company for approval will be construed as creating any limitations on the power or authority of the Board to adopt such additional or other compensation arrangements as the Board may deem necessary or desirable.

## ARTICLE 12 SECURITIES LAW RESTRICTIONS

12.1 Share Issuances. Notwithstanding any other provision of the Plan or any agreements entered into pursuant hereto, the Company shall not be required to issue or deliver any certificate for shares of Common Stock under this Plan, and an Option shall not be considered to be exercised notwithstanding the tender by the Participant of any consideration therefor, unless and until each of the following conditions has been fulfilled:

12.1.1 (i) There shall be in effect with respect to such shares a registration statement under the Securities Act and any applicable state securities laws if the Committee, in its sole discretion, shall have determined to file, cause to become effective and maintain the effectiveness of such registration statement; or (ii) if the Committee has determined not to so register the shares of Common Stock to be issued under the Plan, (A) exemptions from registration under the Securities Act and applicable state securities laws shall be available for such issuance (as determined by counsel to the Company) and (B) there shall have been received from the Participant (or, in the event of death or disability, the Participant's heir(s) or legal representative(s)) any representations or agreements requested by the Company in order to permit such issuance to be made pursuant to such exemptions; and

12.1.2 There shall have been obtained any other consent, approval or permit from any state or federal governmental agency which the Committee shall, in its sole discretion upon the advice of counsel, deem necessary or advisable.

12.2 Share Transfers. Shares of Common Stock issued pursuant to Options granted under the Plan may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of, whether voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, except pursuant to registration under the Securities Act and applicable state securities laws or pursuant to exemptions from such registrations. The Company may condition the sale, assignment, transfer, pledge, encumbrance or other disposition of such shares not issued pursuant to an effective and current registration statement under the Securities Act and all applicable state securities laws on the receipt from the party to whom the shares of Common Stock are to be so transferred of any representations or agreement requested by the Company in order to permit such transfer to be made pursuant to exemptions from registration under the Securities Act and applicable state securities laws.

12.3 Holding Period Requirement. The Options granted and any Common Stock acquired pursuant to the exercise of Options under this Plan may be subject to a six-month holding requirement from the grant date pursuant to Rule 16b-3(d)(3) under the Exchange Act.

12.4 Legends.

12.4.1 Unless a registration statement under the Securities Act and applicable state securities laws is in effect with respect to the issuance or transfer of shares of Common Stock under the Plan, each certificate representing any such shares shall be endorsed with a legend in substantially the following form, unless counsel for the Company is of the opinion as to any such certificate that such legend is unnecessary:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE ACT"), OR UNDER APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND SUCH STATE LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND SUCH STATE LAWS, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY.

12.4.2 The Committee, in its sole discretion, may endorse certificates representing shares issued pursuant to the exercise of Incentive Stock Options with a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF ON OR BEFORE [THE LATER OF THE ONE-YEAR OR TWO-YEAR INCENTIVE STOCK OPTION HOLDING PERIODS], WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY.

## ARTICLE 13 PLAN AMENDMENT; MODIFICATION AND TERMINATION

The Board may suspend or terminate the Plan or any portion thereof at any time, and may amend the Plan from time to time in such respects as the Board may deem advisable in order that Options under the Plan shall conform to any change in applicable laws or regulations or in any other respect the Board may deem to be in the best interests of the Company; provided, however, that no such amendment shall be effective, without approval of the shareholders of the Company, if shareholder approval of the amendment is then required to comply with or obtain exemptive relief under any tax or regulatory requirement the Board deems desirable to comply with or obtain

exemptive relief under, including without limitation, Rule 16b-3 under the Exchange Act or any successor rule or Section 422 of the Code or under the applicable rules or regulations of any securities exchange or the NASD.

#### ARTICLE 14 EFFECTIVE DATE OF THE PLAN

14.1 Effective Date. The Plan is effective January 1, 1995 and the Plan was adopted by the Board and approved by the shareholders by unanimous written consent on January 12, 1995, and ratified and confirmed by the shareholders on January 30, 1995.

14.2 Duration of the Plan. The Plan shall terminate at midnight on the tenth anniversary from the effective date, and may be terminated prior thereto by Board action, and no Option shall be granted after such termination. Options outstanding upon termination of the Plan may continue to be exercised in accordance with their terms.

#### ARTICLE 15 MISCELLANEOUS

15.1 Construction and Headings. The use of the masculine gender shall also include within its meaning the feminine, and the singular may include the plural and the plural may include the singular, unless the context clearly indicates to the contrary. The headings of the Articles and Sections of the Plan are for convenience of reading only and are not meant to be of substantive significance and shall not add or detract from the meaning of such Article or Section.

15.2 Governing Law. The place of administration of the Plan shall be conclusively deemed to be within the Commonwealth of Virginia, and the rights and obligations of any and all persons having or claiming to have had an interest under the Plan or under any agreements evidencing Options shall be governed by and construed exclusively and solely in accordance with the laws of the Commonwealth of Virginia without regard to conflict of laws provisions of any jurisdictions. All parties agree to submit to the jurisdiction of the state and federal courts of Virginia with respect to matters relating to the Plan and agree not to raise or assert the defense that such forum is not convenient for such party.

15.3 Successors and Assigns. This Plan shall be binding upon and inure to the benefit of the successors and permitted assigns of the Company, including, without limitation, whether by way of merger, consolidation, operation of law, assignment, purchase or other acquisition of substantially all of the assets or business of the Company, and any and all such successors and assigns shall absolutely and unconditionally assume all of the Company's obligations under the Plan.

15.4 Survival of Provisions. The rights, remedies, agreements, obligations and covenants contained in or made pursuant to the Plan, any agreement evidencing an Option and any other notices or agreements in connection therewith, including, without limitation, any notice of exercise of an Option, shall survive the execution and delivery of such notices and agreements and the delivery and receipt of shares of Common Stock and shall remain in full force and effect.

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors

Dollar Tree, Inc. (formerly Dollar Tree Stores, Inc.):

We consent to the incorporation by reference in the registration statement (No. 333-41248) on Form S-8 of Dollar Tree, Inc. of our reports dated April 2, 2007, with respect to the consolidated balance sheets of Dollar Tree Stores, Inc. and subsidiaries as of February 3, 2007 and January 28, 2006, and the related consolidated statements of operations, shareholders' equity and comprehensive income, and cash flows for each of the fiscal years in the three-year period ended February 3, 2007, management's assessment of the effectiveness of internal control over financial reporting as of February 3, 2007 and the effectiveness of internal control over financial reporting as of February 3, 2007, which reports appear in the February 3, 2007 annual report on Form 10-K of Dollar Tree Stores, Inc.

Our report on the consolidated financial statements refers to the adoption by Dollar Tree Stores, Inc. of Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment*, effective January 29, 2006.

/s/ KPMG LLP

Norfolk, Virginia

March 13, 2008