

January 15, 2013

Top Hat Plan Exemption
 Pension and Welfare Benefits Administration
 Room N-5644
 U.S. Department of Labor
 200 Constitution Ave., NW
 Washington, DC 20210

2013 FEB -4 PM 2:37

Ref: Reporting and Disclosure Requirements – Part 1 of Title I of ERISA 1974 for pension plans maintained for a select group of management or highly compensated employees, as outlined in Reg. Sec. 2520.104-23.

Name of Employer: Thornton Carpet, Inc.
 Address of Employer: 27106 Independence Ave.
 Sioux Falls, SD 57108-8100

Employer Identification
 Number assigned by
 IRS: 46-0429716

Declaration: The employer maintains five (5) plans primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

Name of Plan(s)	Number of Employees Included in Each
Thornton Carpet, Inc. Deferred Compensation Agreement with Joseph J. Dubsky	1
Thornton Carpet, Inc. Deferred Compensation Agreement with Michael D. Husby	1
Thornton Carpet, Inc. Deferred Compensation Agreement with Jason D. Becker	1

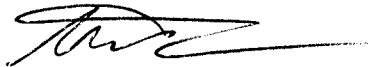
Name of Plan(s)	Number of Employees Included in Each
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Thornton Carpet, Inc. Deferred Compensation Agreement with Tyson E. Bult	1
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Thornton Carpet, Inc. Deferred Compensation Agreement with Dominic J. Mickelson	1
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Sincerely,

THORNTON CARPET, INC.



Matthew Thornton
Vice President

Encl.

**THORNTON CARPET, INC.
DEFERRED COMPENSATION AGREEMENT
WITH
JOSEPH J. DUBSKY**

THIS AGREEMENT is effective this 6th day of November, 2012, between THORNTON CARPET, INC. (the "Company"), a corporation organized and existing under the laws of the State of South Dakota, and JOSEPH J. DUBSKY, of Harrisburg, South Dakota (the "Employee").

RECITALS:

- A. The Employee is employed by the Company.
- B. The Company recognizes the valuable services heretofore performed by Employee and desires to encourage the continued employment of Employee.
- C. The Company has decided to establish a deferred compensation arrangement in order to provide certain benefits to Employee or Employee's designated beneficiary as an inducement for Employee to continue employment with the Company.
- D. The Company and the Employee intend that this Agreement shall be considered an unfunded arrangement, maintained primarily to provide deferred compensation benefits for Employee and shall be considered a top hat arrangement for purposes of the Employee Retirement Income Security Act of 1974, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Employment. The Company agrees to continue the employment of Employee in such capacity as the Company may from time to time determine. During the term of his continued employment, the Employee agrees to continue to devote his best efforts to the business and affairs of the Company. The Employee will continue in the employment of the Company in such capacity and with such duties and responsibilities as may be assigned to his and with such compensation as may be determined from time to time by the Board of Directors of the Company.

This Agreement shall not constitute a contract of employment between the Employee and the Company and shall create no right in the Employee to continue in the Company's employ for any specific period of time, or to create any other rights in the Employee nor obligations on the part of the Company, except as set forth in this Agreement. Nor shall any provision hereof restrict the right of the Company to discharge the Employee at any time, with or without cause. This Agreement shall not restrict the right of Employee to terminate his employment with the Company.

2. Deferred Benefits. If the Employee continues in the full-time active employment with the Company for a period of 20 years from the date of this Agreement (which date is November 6th, 2032), hereinafter "Vesting Date," the Company will pay the Employee the sum of Two Hundred Thousand Dollars (\$200,000.00) commencing upon the Employee's 20th year anniversary date in accordance with the terms set forth herein. Said payment will be made in seven (7) equal annual installments, with the first annual payment to commence on the first business day of the first calendar month immediately following the Employee's Vesting Date and on the same day of each year thereafter until paid in full.

If the Employee dies before receiving the seven (7) annual payments, the Company will then pay the remaining annual payments to such individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

3. Death Benefits Before Vesting Date. If the Employee dies prior to the Vesting Date as defined in Section 2 above, the benefits to be paid by the Company to the Employee referred to in Section 2 shall terminate. In replacement of benefits under Section 2, if a life insurance policy is maintained by the Company for the benefit of Employee for purposes of this Agreement, the Company will pay to the beneficiary designated by the Employee pursuant to Section 10 the sum of Two Hundred Thousand Dollars (\$200,000.00). If Company does not maintain a life insurance policy on Employee for purposes of this Agreement, then Company will pay to the beneficiary a sum equal to the accumulated value of any annuity contract or other account that may be maintained by the Company for the benefit of Employee. For purposes of this Agreement, "account" shall mean any reserve, amount, or account set aside to satisfy Company's obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee.

Company may, at its option, pay such sum due hereunder in a lump-sum payment or pay such sum to Employee's beneficiary in equal installments each year for a period of seven (7) years, with the first annual payment to commence within 60 days of Employee's death and on the same day of each year thereafter until paid in full. If a beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

However, this benefit shall not be payable if the Employee's death results from suicide, whether sane or insane, within two (2) years after the execution of this Agreement.

4. Disability Benefits Before Vesting Date. If the Employee becomes permanently and totally disabled as a result of injury or sickness prior to the Vesting Date as defined in Section 2 above, and the Company terminates the employment of the Employee, the benefits to be paid by the Company to the Employee referred to in Section 2 and 3 shall terminate. In replacement of benefits under Sections 2 and 3, the Company will pay the Employee a sum equal to the accumulated value of any life insurance, annuity contract or other account that may be maintained by the Company for the benefit of Employee. For purposes of this Agreement,

“account” shall mean any reserve, amount, or account set aside to satisfy Company’s obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee. Company may, at its option, pay such sum in a lump-sum payment or pay such sum to Employee in equal installments each year for a period of seven (7) years, with the first annual payment to commence on the first business day of the first calendar month immediately following the month in which the Employee is terminated and on the same day of each year thereafter until paid in full. If the Employee dies before receiving the full payment hereunder, the Company will then pay such amount to the individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

The Employee shall be considered permanently and totally disabled if he is unable to perform his usual and customary duties in a manner satisfactory to the Board of Directors of the Company and such disability is expected to continue for a period of at least twelve (12) consecutive months. The determination of whether the Employee is permanently and totally disabled shall be made by the Board of Directors of the Company based upon medical evidence satisfactory to the Board of Directors.

5. Benefits Upon Voluntary Termination of Service or Discharge Prior to Vesting Date. If the Employee shall voluntarily terminate his employment with the Company or be discharged by the Company for any reason prior to his Vesting Date, the obligations of the Company under Sections 2, 3 and 4 shall cease and Employee shall receive no deferred compensation benefits.

6. Benefits Upon Change in Control. The term “Change in Control” shall mean the cumulative transfer of more than 60% of the common stock of the Company. For purposes of this Agreement, transfers of the Company common stock on account of death, gifts, transfers between family members, transfers to or between trusts for the benefit of family members, or transfers to a qualified retirement plan maintained by the Company, shall not be considered in determining whether there has been a Change in Control. Upon a Change in Control as defined above, the Employee who is employed on the date of the Change in Control will be entitled to receive a lump-sum payment equal to the accumulated value of any life insurance or annuity contract maintained by the Company for the benefit of Employee. Said payment will be made within 60 days of the event causing a Change of Control. Employee shall be entitled to no other benefit or payment upon a Change in Control except as provided in this Section 6.

7. Alienability. Neither the Employee nor any beneficiary under this Agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify or otherwise encumber in advance any of the benefits payable hereunder, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony or separate maintenance owed by Employee or his beneficiary. The benefits hereunder shall not be transferable by operation of law or in the event of bankruptcy, insolvency, or otherwise. In the event Employee or any beneficiary attempts an assignment, commutation, hypothecation,

transfer, or disposal of the benefits hereunder, the obligations of the Company under this Agreement shall forthwith cease and terminate.

8. Participation in Other Plans. Nothing contained in this Agreement shall be construed to alter, abridge, or in any manner affect the rights and privileges of the Employee to participate in and be covered by any pension, profit-sharing, group insurance, bonus or similar employee plan which the Company may now have in effect or may hereafter adopt.

9. Agreement Unfunded. The Company shall have no obligation to set aside, earmark or entrust any fund or money with which to pay its obligations under this Agreement. The Employee and his beneficiaries shall be and remain simply general creditors of the Company in the same manner as any other creditor having a general claim.

The Company reserves the absolute right in its sole discretion to either informally fund the obligations undertaken by this Plan or to refrain from informally funding the same and to determine the extent, nature and method of such informal funding.

Should the Company elect to informally fund the obligations which it has or may incur under this Agreement, in whole or in part, through the purchase of life insurance, mutual funds or annuities, the Company reserves the absolute right, in its sole discretion, to terminate such informal funding at any time, in whole or in part. At no time shall the Employee be deemed to have any lien, right, title or interest in or to any specific informal funding investment or to any assets of the Company.

If the Company elects to invest in a life insurance or annuity policy upon the life of the Employee, the Employee shall assist the Company by freely submitting to a physical exam and supplying such additional information necessary to obtain such insurance or annuity.

10. Designation of Beneficiary. The Employee may designate one or more individuals (hereafter "beneficiary") to receive the benefits to be provided to the Employee under this Agreement. The designation shall be made on the "Designation of Beneficiary" form attached to this Agreement marked Exhibit "A." A beneficiary designation shall not be effective unless it is filed with the Secretary of the Company. In the absence of an effective beneficiary designation, any amount due under this Agreement shall be paid to the spouse of Employee, if living, or to his children by right of representation, per stirpes. If the Employee has no surviving spouse or children, the benefits to be paid shall be paid as designated by the Employee in his Last Will and Testament. If the Employee leaves no Will and leaves no spouse or children, then benefits shall be paid to his estate.

If a beneficiary begins receiving annual payments hereunder due to Employee's death and said beneficiary were to die prior to receiving the balance of the annual payments, then the beneficiary may complete the Designation of Beneficiary form naming his or her own beneficiary. In the absence of an effective beneficiary designation, any amount shall be paid to the spouse of the beneficiary, if living, or to his or her children by right of representation, per stirpes. If the beneficiary has no surviving spouse or children, the benefits shall be paid as

designated by the beneficiary in his or her Last Will and Testament. If the beneficiary leaves no Will and leaves no spouse or children, then benefits shall be paid to his or her estate.

11. Acceleration of Payments Due Employee. The Company reserves the right to accelerate the payment of any benefits that become due and payable under this Agreement without the consent of the Employee, his estate, his designated recipients, or any other person claiming through the Employee provided that such acceleration is permitted by Section 409A of the Internal Revenue Code and the regulations thereunder, specifically Regulation § 1.409A-3(j). No acceleration of benefits is permitted except as provided in Section 409A and the applicable regulations.

12. ERISA Requirements. The Vice President of the Company is hereby designated as the Named Fiduciary and Plan Administrator of this Deferred Compensation Agreement, in accordance with the Employee Retirement Income Security Act of 1974, and shall serve in such capacity until resignation or removal by the Board of Directors of the Company and appointment of a successor. The business address and telephone number of the Named Fiduciary is:

Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101
(605) 368-2568

The Named Fiduciary shall have the authority to control and manage the operation and administration of this Agreement. This Agreement and all relevant documents shall be retained by the Named Fiduciary and made available for examination and copying by the parties at the above indicated business address.

Benefits shall be payable in accordance with the provisions of this Agreement. Employee or a beneficiary may file a claim with the Named Fiduciary if the Employee or beneficiary does not receive benefits in accordance with this Agreement.

If a claim for benefits is wholly or partially denied, a written notice of the decision shall be furnished to the claimant by the Named Fiduciary within a reasonable period of time after receipt of the claim, which notice shall include the following information:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to the pertinent provisions of this Agreement upon which the denial is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) An explanation of this Agreement's claim review procedures.

A claimant may appeal a denial of a claim, in accordance with the following procedure:

- (a) Claimant may request a review by written application to the Named Fiduciary not later than 60 days after receipt by the claimant of written notification of denial of a claim;
- (b) Claimant may review pertinent documents; and
- (c) Claimant may submit issues and comments in writing.

A decision on review of a denied claim shall be made no later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after the receipt of a request for review. The decision on review shall be in writing and shall include the specific reasons for the decision and specific references to the pertinent provisions of this Agreement on which the decision is based.

13. Deference to Determinations of Plan Administrator. The Named Fiduciary/Plan Administrator shall have reasonable discretion in interpreting the terms of this Agreement, as well as other documents relating to the deferred compensation arrangement established hereunder. In the event of a dispute as to any right, benefit, duty or responsibility in connection with this Agreement, the Plan Administrator's interpretation of this Agreement or of any related document shall be accorded substantial weight. Such interpretation shall not be modified nor overturned by any court, board or arbitration, or other dispute resolution authority unless it shall be convincingly established that such interpretation shall have been arbitrary and capricious, or an abuse of the Plan Administrator's discretion.

14. Communications. Any notice or communication required of either party with respect to this Agreement shall be made in writing and may either be delivered personally or sent by first class mail as follows:

To Company:

Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101

To Employee:

Joseph J. Dubsky
27430 472nd Avenue
Harrisburg, SD 57032

Each party shall have the right by written notice to change the place to which any notice may be addressed.

15. Offset of Employee Obligations. If at such time as the Employee or a beneficiary shall become entitled to benefit payments under this Agreement if the Employee, or the beneficiary, or the Employee's estate shall have owed any outstanding debt to the Company, then such debt shall reduce and offset the amount of benefits otherwise payable hereunder. Notwithstanding the above, offset can only be made where such debt is incurred in the ordinary course of the service relationship between the Company and Employee, the entire amount of reduction in any of the Employee's taxable years does not exceed Five Thousand Dollars (\$5,000), and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Employee. If such benefits are to be paid on a periodic basis, modification of such benefits shall be computed by calculating the present value of such benefits (using the interest rate then applicable under Internal Revenue Code Section 7520(2) or the corresponding provision of any subsequent Federal Tax law; reducing such present value by such debt and then recomputing the amount of periodic benefits in accordance with the reduced present value (using the same Section 7520(2) interest rate).

16. Leave of Absence. The Board of Directors of the Company may, in its sole discretion, permit the Employee to take a leave of absence for a period of not more than one year. During such leave, for the purposes of this Agreement, the Employee will still be considered to be in the continuous employment of the Company.

17. Amendment. During the lifetime of the Employee, this Agreement may be amended or revoked only by written agreement signed by the Employee and the president of the Company.

18. Arbitration. Any party to this Agreement may demand in writing arbitration of all claims, disputes or questions arising out of or relating hereto, which claims, disputes or questions shall not include or change any determination which has been rendered as a result of the sole discretion vested in the Named Fiduciary, and all such matters submitted shall be finally settled by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect from time to time, and the decision rendered by the arbitrators may be entered in any court having jurisdiction thereof. The location for arbitration shall be in the offices of the Company or such other location as the parties may agree. Request for arbitration shall be made no later than 120 days prior to the date on which legal proceedings would be barred with respect to said subject matter, or any part thereof, by applicable statute of limitations. If an action has been commenced by either party hereto against the other party for any reason, then there shall be no further objection on the part of either party to arbitrate any matter.

The Parties hereto agree:

- Arbitration is final and binding on the parties.
- The parties are waiving their rights to seek remedies in Court, including the right to jury trial.
- Pre-arbitration discovery is generally more limited than discovery in regular court proceedings.

- The arbitrator's award is not required to include factual findings or legal reasoning, and a party's right to appeal or seek modification is strictly limited.

19. Venue. Venue for any action, proceeding, counterclaim, cross-claim or other litigation arising under this agreement shall be in the applicable Court in the county and state where the Company's main office is located.

20. No Jury Trial. All parties hereto knowingly, voluntarily and intentionally waive any right which they may have to a trial by jury in respect to any litigation, whether arising in law or in equity, under this Agreement or the subject matter hereof. No litigation involving this Agreement may be consolidated or in any way combined with any other action in which a jury trial has not been waived.

21. Arbitration and/or Litigation Costs. In connection with any arbitration or litigation arising out of or under this Agreement, the prevailing party shall be entitled to recover all costs incurred, including court costs and attorney's fees. The term "attorney's fees" includes charges for any work done by staff, experts, or others engaged by the prevailing party's attorney to assist said attorney in the litigation of or furtherance of any litigation arising under or out of this Agreement.

22. Construction. Whenever the context so indicates, the masculine shall include the neuter and the feminine, the feminine shall include the masculine, and the neuter shall include the masculine and feminine. Whenever the context herein so indicates, the singular shall include the plural and the plural shall include the singular. Unless the context otherwise indicates, the terms "hereto," "hereof," "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. Captions and headings are for convenience of reference only, and shall not be the subject of any construction or interpretation under this Agreement.

23. Statutory Provisions. Any statutory or regulatory reference herein shall be deemed to include a reference to all statutory or regulatory revisions and amendments thereto.

24. No Right of Assignment. The Employee shall not have the right to sell, transfer, assign, pledge or otherwise encumber any rights or benefits which may be afforded him under this Agreement, and no such attempt shall be recognized by the Company. Subject to the restrictions against transfer or assignment herein contained, the provisions of this Agreement shall be binding on the assigns, successors in interest, personal representatives, guardians, attorneys-in-fact, estates, heirs, and legatees of each party hereto.

25. Exhibits. Any and all exhibits, schedules and appendices attached hereto which are referred to herein are an integral part hereof and are hereby incorporated into and made a part of this Agreement for all purposes.

26. Confidentiality. Employee agrees to keep the terms of this Agreement strictly confidential. Employee represents and warrants that he has not and will not nor will he direct nor permit any member of his family to disclose or reveal to any person or entity the substance of

the terms and conditions of this Agreement. Notwithstanding the foregoing, Employee may disclose the existence and terms of this Agreement to, as applicable, his spouse and attorneys, and his financial advisors for tax purposes or financial planning provided that he first secures their agreement to keep the existence and terms of this Agreement strictly confidential. Further, without violating the terms hereof, Employee may disclose the existence and terms of this Agreement as may otherwise be required by law. Company intends that this Agreement be kept strictly confidential since it is meant to benefit Employee as a member of a select group of management and not all of Company's employees. If Employee violates the provisions of this section, Company reserves the right to terminate this Agreement as may be allowed by law.

27. Entire Agreement. This Agreement and related documents signed by a representative of the Company and the Employee contain the entire understanding between and among the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or otherwise, between or among the parties hereto, relating to the subject matter of this Agreement, which have not been fully expressed herein.

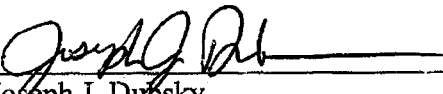
28. Governing Law; Invalidity. This Agreement shall be subject to and governed by the laws of the State of South Dakota. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, but this Agreement will be given effect in such manner as will best carry the purposes and intentions of the parties and so this Agreement will be administrated and interpreted to be consistent with the requirements of Section 409A of the Internal Revenue Code and regulations thereunder.

The parties hereto have executed this Agreement on the day and year first above written.


EMPLOYEE:

COMPANY:

THORNTON CARPET, INC.



Joseph J. Dubsky

By 

Matthew S. Thornton
Its Vice President

EXHIBIT A

DESIGNATION OF BENEFICIARY

Pursuant to the terms of a nonqualified Deferred Compensation Agreement dated November 6th 2012, between myself and Thornton Carpet, Inc., I hereby designate the following Beneficiary(ies) to receive any payments which may be due under such Agreement after my death:

Primary Beneficiary: _____

DOB: _____

Secondary Beneficiaries:

DOB: _____

DOB: _____

DOB: _____

The Primary Beneficiary named above shall be the designated beneficiary referred to in Article 10 of said Agreement if (s)he is living at the time a death benefit payment thereunder becomes due and payable, and the Secondary Beneficiary(ies) named above shall be the designated beneficiary referred to in Article 10 of said Agreement only if they are living at the time a death benefit payment becomes payable and the Primary Beneficiary is not then living.

This designation hereby revokes any prior designation which may have been in effect.

Date: 11-6-2012

Joseph J. Dubsky
Employee - Joseph J. Dubsky

[Signature]
Witness

Acknowledged by: [Signature] Corporate Officer VP Title

THORNTON CARPET, INC.
DEFERRED COMPENSATION AGREEMENT
WITH
MICHAEL D. HUSBY

THIS AGREEMENT is effective this 6th day of November, 2012, between THORNTON CARPET, INC. (the "Company"), a corporation organized and existing under the laws of the State of South Dakota, and MICHAEL D. HUSBY, of Sioux Falls, South Dakota (the "Employee").

RECITALS:

- A. The Employee is employed by the Company.
- B. The Company recognizes the valuable services heretofore performed by Employee and desires to encourage the continued employment of Employee.
- C. The Company has decided to establish a deferred compensation arrangement in order to provide certain benefits to Employee or Employee's designated beneficiary as an inducement for Employee to continue employment with the Company.
- D. The Company and the Employee intend that this Agreement shall be considered an unfunded arrangement, maintained primarily to provide deferred compensation benefits for Employee and shall be considered a top hat arrangement for purposes of the Employee Retirement Income Security Act of 1974, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Employment. The Company agrees to continue the employment of Employee in such capacity as the Company may from time to time determine. During the term of his continued employment, the Employee agrees to continue to devote his best efforts to the business and affairs of the Company. The Employee will continue in the employment of the Company in such capacity and with such duties and responsibilities as may be assigned to his and with such compensation as may be determined from time to time by the Board of Directors of the Company.

This Agreement shall not constitute a contract of employment between the Employee and the Company and shall create no right in the Employee to continue in the Company's employ for any specific period of time, or to create any other rights in the Employee nor obligations on the part of the Company, except as set forth in this Agreement. Nor shall any provision hereof restrict the right of the Company to discharge the Employee at any time, with or without cause. This Agreement shall not restrict the right of Employee to terminate his employment with the Company.

2. Deferred Benefits. If the Employee continues in the full-time active employment with the Company for a period of 20 years from the date of this Agreement (which date is November 6th, 2032), hereinafter "Vesting Date," the Company will pay the Employee the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) commencing upon the Employee's 20th year anniversary date in accordance with the terms set forth herein. Said payment will be made in seven (7) equal annual installments, with the first annual payment to commence on the first business day of the first calendar month immediately following the Employee's Vesting Date and on the same day of each year thereafter until paid in full.

If the Employee dies before receiving the seven (7) annual payments, the Company will then pay the remaining annual payments to such individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

3. Death Benefits Before Vesting Date. If the Employee dies prior to the Vesting Date as defined in Section 2 above, the benefits to be paid by the Company to the Employee referred to in Section 2 shall terminate. In replacement of benefits under Section 2, if a life insurance policy is maintained by the Company for the benefit of Employee for purposes of this Agreement, the Company will pay to the beneficiary designated by the Employee pursuant to Section 10 the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00). If Company does not maintain a life insurance policy on Employee for purposes of this Agreement, then Company will pay to the beneficiary a sum equal to the accumulated value of any annuity contract or other account that may be maintained by the Company for the benefit of Employee. For purposes of this Agreement, "account" shall mean any reserve, amount, or account set aside to satisfy Company's obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee.

Company may, at its option, pay such sum due hereunder in a lump-sum payment or pay such sum to Employee's beneficiary in equal installments each year for a period of seven (7) years, with the first annual payment to commence within 60 days of Employee's death and on the same day of each year thereafter until paid in full. If a beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

However, this benefit shall not be payable if the Employee's death results from suicide, whether sane or insane, within two (2) years after the execution of this Agreement.

4. Disability Benefits Before Vesting Date. If the Employee becomes permanently and totally disabled as a result of injury or sickness prior to the Vesting Date as defined in Section 2 above, and the Company terminates the employment of the Employee, the benefits to be paid by the Company to the Employee referred to in Section 2 and 3 shall terminate. In replacement of benefits under Sections 2 and 3, the Company will pay the Employee a sum equal to the accumulated value of any life insurance, annuity contract or other account that may be maintained by the Company for the benefit of Employee. For purposes of this Agreement,

"account" shall mean any reserve, amount, or account set aside to satisfy Company's obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee. Company may, at its option, pay such sum in a lump-sum payment or pay such sum to Employee in equal installments each year for a period of seven (7) years, with the first annual payment to commence on the first business day of the first calendar month immediately following the month in which the Employee is terminated and on the same day of each year thereafter until paid in full. If the Employee dies before receiving the full payment hereunder, the Company will then pay such amount to the individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

The Employee shall be considered permanently and totally disabled if he is unable to perform his usual and customary duties in a manner satisfactory to the Board of Directors of the Company and such disability is expected to continue for a period of at least twelve (12) consecutive months. The determination of whether the Employee is permanently and totally disabled shall be made by the Board of Directors of the Company based upon medical evidence satisfactory to the Board of Directors.

5. Benefits Upon Voluntary Termination of Service or Discharge Prior to Vesting Date. If the Employee shall voluntarily terminate his employment with the Company or be discharged by the Company for any reason prior to his Vesting Date, the obligations of the Company under Sections 2, 3 and 4 shall cease and Employee shall receive no deferred compensation benefits.

6. Benefits Upon Change in Control. The term "Change in Control" shall mean the cumulative transfer of more than 60% of the common stock of the Company. For purposes of this Agreement, transfers of the Company common stock on account of death, gifts, transfers between family members, transfers to or between trusts for the benefit of family members, or transfers to a qualified retirement plan maintained by the Company, shall not be considered in determining whether there has been a Change in Control. Upon a Change in Control as defined above, the Employee who is employed on the date of the Change in Control will be entitled to receive a lump-sum payment equal to the accumulated value of any life insurance or annuity contract maintained by the Company for the benefit of Employee. Said payment will be made within 60 days of the event causing a Change of Control. Employee shall be entitled to no other benefit or payment upon a Change in Control except as provided in this Section 6.

7. Alienability. Neither the Employee nor any beneficiary under this Agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify or otherwise encumber in advance any of the benefits payable hereunder, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony or separate maintenance owed by Employee or his beneficiary. The benefits hereunder shall not be transferable by operation of law or in the event of bankruptcy, insolvency, or otherwise. In the event Employee or any beneficiary attempts an assignment, commutation, hypothecation,

transfer, or disposal of the benefits hereunder, the obligations of the Company under this Agreement shall forthwith cease and terminate.

8. Participation in Other Plans. Nothing contained in this Agreement shall be construed to alter, abridge, or in any manner affect the rights and privileges of the Employee to participate in and be covered by any pension, profit-sharing, group insurance, bonus or similar employee plan which the Company may now have in effect or may hereafter adopt.

9. Agreement Unfunded. The Company shall have no obligation to set aside, earmark or entrust any fund or money with which to pay its obligations under this Agreement. The Employee and his beneficiaries shall be and remain simply general creditors of the Company in the same manner as any other creditor having a general claim.

The Company reserves the absolute right in its sole discretion to either informally fund the obligations undertaken by this Plan or to refrain from informally funding the same and to determine the extent, nature and method of such informal funding.

Should the Company elect to informally fund the obligations which it has or may incur under this Agreement, in whole or in part, through the purchase of life insurance, mutual funds or annuities, the Company reserves the absolute right, in its sole discretion, to terminate such informal funding at any time, in whole or in part. At no time shall the Employee be deemed to have any lien, right, title or interest in or to any specific informal funding investment or to any assets of the Company.

If the Company elects to invest in a life insurance or annuity policy upon the life of the Employee, the Employee shall assist the Company by freely submitting to a physical exam and supplying such additional information necessary to obtain such insurance or annuity.

10. Designation of Beneficiary. The Employee may designate one or more individuals (hereafter "beneficiary") to receive the benefits to be provided to the Employee under this Agreement. The designation shall be made on the "Designation of Beneficiary" form attached to this Agreement marked Exhibit "A." A beneficiary designation shall not be effective unless it is filed with the Secretary of the Company. In the absence of an effective beneficiary designation, any amount due under this Agreement shall be paid to the spouse of Employee, if living, or to his children by right of representation, per stirpes. If the Employee has no surviving spouse or children, the benefits to be paid shall be paid as designated by the Employee in his Last Will and Testament. If the Employee leaves no Will and leaves no spouse or children, then benefits shall be paid to his estate.

If a beneficiary begins receiving annual payments hereunder due to Employee's death and said beneficiary were to die prior to receiving the balance of the annual payments, then the beneficiary may complete the Designation of Beneficiary form naming his or her own beneficiary. In the absence of an effective beneficiary designation, any amount shall be paid to the spouse of the beneficiary, if living, or to his or her children by right of representation, per stirpes. If the beneficiary has no surviving spouse or children, the benefits shall be paid as

designated by the beneficiary in his or her Last Will and Testament. If the beneficiary leaves no Will and leaves no spouse or children, then benefits shall be paid to his or her estate.

11. Acceleration of Payments Due Employee. The Company reserves the right to accelerate the payment of any benefits that become due and payable under this Agreement without the consent of the Employee, his estate, his designated recipients, or any other person claiming through the Employee provided that such acceleration is permitted by Section 409A of the Internal Revenue Code and the regulations thereunder, specifically Regulation § 1.409A-3(j). No acceleration of benefits is permitted except as provided in Section 409A and the applicable regulations.

12. ERISA Requirements. The Vice President of the Company is hereby designated as the Named Fiduciary and Plan Administrator of this Deferred Compensation Agreement, in accordance with the Employee Retirement Income Security Act of 1974, and shall serve in such capacity until resignation or removal by the Board of Directors of the Company and appointment of a successor. The business address and telephone number of the Named Fiduciary is:

Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101
(605) 368-2568

The Named Fiduciary shall have the authority to control and manage the operation and administration of this Agreement. This Agreement and all relevant documents shall be retained by the Named Fiduciary and made available for examination and copying by the parties at the above indicated business address.

Benefits shall be payable in accordance with the provisions of this Agreement. Employee or a beneficiary may file a claim with the Named Fiduciary if the Employee or beneficiary does not receive benefits in accordance with this Agreement.

If a claim for benefits is wholly or partially denied, a written notice of the decision shall be furnished to the claimant by the Named Fiduciary within a reasonable period of time after receipt of the claim, which notice shall include the following information:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to the pertinent provisions of this Agreement upon which the denial is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) An explanation of this Agreement's claim review procedures.

A claimant may appeal a denial of a claim, in accordance with the following procedure:

- (a) Claimant may request a review by written application to the Named Fiduciary not later than 60 days after receipt by the claimant of written notification of denial of a claim;
- (b) Claimant may review pertinent documents; and
- (c) Claimant may submit issues and comments in writing.

A decision on review of a denied claim shall be made no later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after the receipt of a request for review. The decision on review shall be in writing and shall include the specific reasons for the decision and specific references to the pertinent provisions of this Agreement on which the decision is based.

13. Deference to Determinations of Plan Administrator. The Named Fiduciary/Plan Administrator shall have reasonable discretion in interpreting the terms of this Agreement, as well as other documents relating to the deferred compensation arrangement established hereunder. In the event of a dispute as to any right, benefit, duty or responsibility in connection with this Agreement, the Plan Administrator's interpretation of this Agreement or of any related document shall be accorded substantial weight. Such interpretation shall not be modified nor overturned by any court, board or arbitration, or other dispute resolution authority unless it shall be convincingly established that such interpretation shall have been arbitrary and capricious, or an abuse of the Plan Administrator's discretion.

14. Communications. Any notice or communication required of either party with respect to this Agreement shall be made in writing and may either be delivered personally or sent by first class mail as follows:

To Company:

Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101

To Employee:

Michael D. Husby
1309 E. Northstar Lane #109
~~Sioux Falls, SD 57108~~

MH
MH
605 S. Mary Dr
Tea SD 57064

Each party shall have the right by written notice to change the place to which any notice may be addressed.

15. Offset of Employee Obligations. If at such time as the Employee or a beneficiary shall become entitled to benefit payments under this Agreement if the Employee, or the beneficiary, or the Employee's estate shall have owed any outstanding debt to the Company, then such debt shall reduce and offset the amount of benefits otherwise payable hereunder. Notwithstanding the above, offset can only be made where such debt is incurred in the ordinary course of the service relationship between the Company and Employee, the entire amount of reduction in any of the Employee's taxable years does not exceed Five Thousand Dollars (\$5,000), and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Employee. If such benefits are to be paid on a periodic basis, modification of such benefits shall be computed by calculating the present value of such benefits (using the interest rate then applicable under Internal Revenue Code Section 7520(2) or the corresponding provision of any subsequent Federal Tax law; reducing such present value by such debt and then recomputing the amount of periodic benefits in accordance with the reduced present value (using the same Section 7520(2) interest rate).

16. Leave of Absence. The Board of Directors of the Company may, in its sole discretion, permit the Employee to take a leave of absence for a period of not more than one year. During such leave, for the purposes of this Agreement, the Employee will still be considered to be in the continuous employment of the Company.

17. Amendment. During the lifetime of the Employee, this Agreement may be amended or revoked only by written agreement signed by the Employee and the president of the Company.

18. Arbitration. Any party to this Agreement may demand in writing arbitration of all claims, disputes or questions arising out of or relating hereto, which claims, disputes or questions shall not include or change any determination which has been rendered as a result of the sole discretion vested in the Named Fiduciary, and all such matters submitted shall be finally settled by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect from time to time, and the decision rendered by the arbitrators may be entered in any court having jurisdiction thereof. The location for arbitration shall be in the offices of the Company or such other location as the parties may agree. Request for arbitration shall be made no later than 120 days prior to the date on which legal proceedings would be barred with respect to said subject matter, or any part thereof, by applicable statute of limitations. If an action has been commenced by either party hereto against the other party for any reason, then there shall be no further objection on the part of either party to arbitrate any matter.

The Parties hereto agree:

- Arbitration is final and binding on the parties.
- The parties are waiving their rights to seek remedies in Court, including the right to jury trial.
- Pre-arbitration discovery is generally more limited than discovery in regular court proceedings.

- The arbitrator's award is not required to include factual findings or legal reasoning, and a party's right to appeal or seek modification is strictly limited.

19. Venue. Venue for any action, proceeding, counterclaim, cross-claim or other litigation arising under this agreement shall be in the applicable Court in the county and state where the Company's main office is located.

20. No Jury Trial. All parties hereto knowingly, voluntarily and intentionally waive any right which they may have to a trial by jury in respect to any litigation, whether arising in law or in equity, under this Agreement or the subject matter hereof. No litigation involving this Agreement may be consolidated or in any way combined with any other action in which a jury trial has not been waived.

21. Arbitration and/or Litigation Costs. In connection with any arbitration or litigation arising out of or under this Agreement, the prevailing party shall be entitled to recover all costs incurred, including court costs and attorney's fees. The term "attorney's fees" includes charges for any work done by staff, experts, or others engaged by the prevailing party's attorney to assist said attorney in the litigation of or furtherance of any litigation arising under or out of this Agreement.

22. Construction. Whenever the context so indicates, the masculine shall include the neuter and the feminine, the feminine shall include the masculine, and the neuter shall include the masculine and feminine. Whenever the context herein so indicates, the singular shall include the plural and the plural shall include the singular. Unless the context otherwise indicates, the terms "hereto," "hereof," "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. Captions and headings are for convenience of reference only, and shall not be the subject of any construction or interpretation under this Agreement.

23. Statutory Provisions. Any statutory or regulatory reference herein shall be deemed to include a reference to all statutory or regulatory revisions and amendments thereto.

24. No Right of Assignment. The Employee shall not have the right to sell, transfer, assign, pledge or otherwise encumber any rights or benefits which may be afforded his under this Agreement, and no such attempt shall be recognized by the Company. Subject to the restrictions against transfer or assignment herein contained, the provisions of this Agreement shall be binding on the assigns, successors in interest, personal representatives, guardians, attorneys-in-fact, estates, heirs, and legatees of each party hereto.

25. Exhibits. Any and all exhibits, schedules and appendices attached hereto which are referred to herein are an integral part hereof and are hereby incorporated into and made a part of this Agreement for all purposes.

26. Confidentiality. Employee agrees to keep the terms of this Agreement strictly confidential. Employee represents and warrants that he has not and will not nor will he direct nor permit any member of his family to disclose or reveal to any person or entity the substance of


the terms and conditions of this Agreement. Notwithstanding the foregoing, Employee may disclose the existence and terms of this Agreement to, as applicable, his spouse and attorneys, and his financial advisors for tax purposes or financial planning provided that he first secures their agreement to keep the existence and terms of this Agreement strictly confidential. Further, without violating the terms hereof, Employee may disclose the existence and terms of this Agreement as may otherwise be required by law. Company intends that this Agreement be kept strictly confidential since it is meant to benefit Employee as a member of a select group of management and not all of Company's employees. If Employee violates the provisions of this section, Company reserves the right to terminate this Agreement as may be allowed by law.

27. Entire Agreement. This Agreement and related documents signed by a representative of the Company and the Employee contain the entire understanding between and among the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or otherwise, between or among the parties hereto, relating to the subject matter of this Agreement, which have not been fully expressed herein.

28. Governing Law; Invalidity. This Agreement shall be subject to and governed by the laws of the State of South Dakota. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, but this Agreement will be given effect in such manner as will best carry the purposes and intentions of the parties and so this Agreement will be administrated and interpreted to be consistent with the requirements of Section 409A of the Internal Revenue Code and regulations thereunder.

The parties hereto have executed this Agreement on the day and year first above written.

EMPLOYEE:


Michael D. Husby

COMPANY:

THORNTON CARPET, INC.

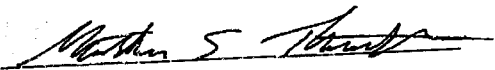
By 
Matthew S. Thornton
Its Vice President

EXHIBIT A

DESIGNATION OF BENEFICIARY

Pursuant to the terms of a nonqualified Deferred Compensation Agreement dated November 6th 2012, between myself and Thornton Carpet, Inc., I hereby designate the following Beneficiary(ies) to receive any payments which may be due under such Agreement after my death:

Primary Beneficiary: _____

DOB: _____

Secondary Beneficiaries:

Children equally _____

DOB: _____

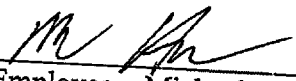
DOB: _____

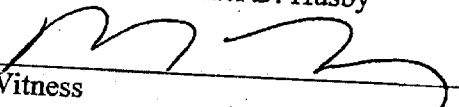
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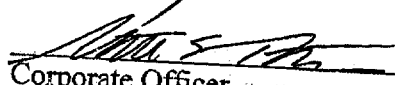
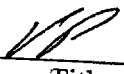
The Primary Beneficiary named above shall be the designated beneficiary referred to in Article 10 of said Agreement if (s)he is living at the time a death benefit payment thereunder becomes due and payable, and the Secondary Beneficiary(ies) named above shall be the designated beneficiary referred to in Article 10 of said Agreement only if they are living at the time a death benefit payment becomes payable and the Primary Beneficiary is not then living.

This designation hereby revokes any prior designation which may have been in effect.

Date: 11-6-12


Employee - Michael D. Husby


Witness

Acknowledged by:  _____  _____
Corporate Officer Title

THORNTON CARPET, INC.
DEFERRED COMPENSATION AGREEMENT
WITH
JASON D. BECKER

THIS AGREEMENT is effective this 5th day of November, 2012, between THORNTON CARPET, INC. (the "Company"), a corporation organized and existing under the laws of the State of South Dakota, and JASON D. BECKER, of Sioux Falls, South Dakota (the "Employee").

RECITALS:

- A. The Employee is employed by the Company.
- B. The Company recognizes the valuable services heretofore performed by Employee and desires to encourage the continued employment of Employee.
- C. The Company has decided to establish a deferred compensation arrangement in order to provide certain benefits to Employee or Employee's designated beneficiary as an inducement for Employee to continue employment with the Company.
- D. The Company and the Employee intend that this Agreement shall be considered an unfunded arrangement, maintained primarily to provide deferred compensation benefits for Employee and shall be considered a top hat arrangement for purposes of the Employee Retirement Income Security Act of 1974, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Employment. The Company agrees to continue the employment of Employee in such capacity as the Company may from time to time determine. During the term of his continued employment, the Employee agrees to continue to devote his best efforts to the business and affairs of the Company. The Employee will continue in the employment of the Company in such capacity and with such duties and responsibilities as may be assigned to his and with such compensation as may be determined from time to time by the Board of Directors of the Company.

This Agreement shall not constitute a contract of employment between the Employee and the Company and shall create no right in the Employee to continue in the Company's employ for any specific period of time, or to create any other rights in the Employee nor obligations on the part of the Company, except as set forth in this Agreement. Nor shall any provision hereof restrict the right of the Company to discharge the Employee at any time, with or without cause. This Agreement shall not restrict the right of Employee to terminate his employment with the Company.

2. Deferred Benefits. If the Employee continues in the full-time active employment with the Company for a period of 20 years from the date of this Agreement (which date is November 5th, 2032), hereinafter "Vesting Date," the Company will pay the Employee the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00) commencing upon the Employee's 20th year anniversary date in accordance with the terms set forth herein. Said payment will be made in seven (7) equal annual installments, with the first annual payment to commence on the first business day of the first calendar month immediately following the Employee's Vesting Date and on the same day of each year thereafter until paid in full.

If the Employee dies before receiving the seven (7) annual payments, the Company will then pay the remaining annual payments to such individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

3. Death Benefits Before Vesting Date. If the Employee dies prior to the Vesting Date as defined in Section 2 above, the benefits to be paid by the Company to the Employee referred to in Section 2 shall terminate. In replacement of benefits under Section 2, if a life insurance policy is maintained by the Company for the benefit of Employee for purposes of this Agreement, the Company will pay to the beneficiary designated by the Employee pursuant to Section 10 the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00). If Company does not maintain a life insurance policy on Employee for purposes of this Agreement, then Company will pay to the beneficiary a sum equal to the accumulated value of any annuity contract or other account that may be maintained by the Company for the benefit of Employee. For purposes of this Agreement, "account" shall mean any reserve, amount, or account set aside to satisfy Company's obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee.

Company may, at its option, pay such sum due hereunder in a lump-sum payment or pay such sum to Employee's beneficiary in equal installments each year for a period of seven (7) years, with the first annual payment to commence within 60 days of Employee's death and on the same day of each year thereafter until paid in full. If a beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

However, this benefit shall not be payable if the Employee's death results from suicide, whether sane or insane, within two (2) years after the execution of this Agreement.

4. Disability Benefits Before Vesting Date. If the Employee becomes permanently and totally disabled as a result of injury or sickness prior to the Vesting Date as defined in Section 2 above, and the Company terminates the employment of the Employee, the benefits to be paid by the Company to the Employee referred to in Section 2 and 3 shall terminate. In replacement of benefits under Sections 2 and 3, the Company will pay the Employee a sum equal to the accumulated value of any life insurance, annuity contract or other account that may be maintained by the Company for the benefit of Employee. For purposes of this Agreement,

"account" shall mean any reserve, amount, or account set aside to satisfy Company's obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee. Company may, at its option, pay such sum in a lump-sum payment or pay such sum to Employee in equal installments each year for a period of seven (7) years, with the first annual payment to commence on the first business day of the first calendar month immediately following the month in which the Employee is terminated and on the same day of each year thereafter until paid in full. If the Employee dies before receiving the full payment hereunder, the Company will then pay such amount to the individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

The Employee shall be considered permanently and totally disabled if he is unable to perform his usual and customary duties in a manner satisfactory to the Board of Directors of the Company and such disability is expected to continue for a period of at least twelve (12) consecutive months. The determination of whether the Employee is permanently and totally disabled shall be made by the Board of Directors of the Company based upon medical evidence satisfactory to the Board of Directors.

5. Benefits Upon Voluntary Termination of Service or Discharge Prior to Vesting Date. If the Employee shall voluntarily terminate his employment with the Company or be discharged by the Company for any reason prior to his Vesting Date, the obligations of the Company under Sections 2, 3 and 4 shall cease and Employee shall receive no deferred compensation benefits.

6. Benefits Upon Change in Control. The term "Change in Control" shall mean the cumulative transfer of more than 60% of the common stock of the Company. For purposes of this Agreement, transfers of the Company common stock on account of death, gifts, transfers between family members, transfers to or between trusts for the benefit of family members, or transfers to a qualified retirement plan maintained by the Company, shall not be considered in determining whether there has been a Change in Control. Upon a Change in Control as defined above, the Employee who is employed on the date of the Change in Control will be entitled to receive a lump-sum payment equal to the accumulated value of any life insurance or annuity contract maintained by the Company for the benefit of Employee. Said payment will be made within 60 days of the event causing a Change of Control. Employee shall be entitled to no other benefit or payment upon a Change in Control except as provided in this Section 6.

7. Alienability. Neither the Employee nor any beneficiary under this Agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify or otherwise encumber in advance any of the benefits payable hereunder, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony or separate maintenance owed by Employee or his beneficiary. The benefits hereunder shall not be transferable by operation of law or in the event of bankruptcy, insolvency, or otherwise. In the event Employee or any beneficiary attempts an assignment, commutation, hypothecation,

transfer, or disposal of the benefits hereunder, the obligations of the Company under this Agreement shall forthwith cease and terminate.

8. Participation in Other Plans. Nothing contained in this Agreement shall be construed to alter, abridge, or in any manner affect the rights and privileges of the Employee to participate in and be covered by any pension, profit-sharing, group insurance, bonus or similar employee plan which the Company may now have in effect or may hereafter adopt.

9. Agreement Unfunded. The Company shall have no obligation to set aside, earmark or entrust any fund or money with which to pay its obligations under this Agreement. The Employee and his beneficiaries shall be and remain simply general creditors of the Company in the same manner as any other creditor having a general claim.

The Company reserves the absolute right in its sole discretion to either informally fund the obligations undertaken by this Plan or to refrain from informally funding the same and to determine the extent, nature and method of such informal funding.

Should the Company elect to informally fund the obligations which it has or may incur under this Agreement, in whole or in part, through the purchase of life insurance, mutual funds or annuities, the Company reserves the absolute right, in its sole discretion, to terminate such informal funding at any time, in whole or in part. At no time shall the Employee be deemed to have any lien, right, title or interest in or to any specific informal funding investment or to any assets of the Company.

If the Company elects to invest in a life insurance or annuity policy upon the life of the Employee, the Employee shall assist the Company by freely submitting to a physical exam and supplying such additional information necessary to obtain such insurance or annuity.

10. Designation of Beneficiary. The Employee may designate one or more individuals (hereafter "beneficiary") to receive the benefits to be provided to the Employee under this Agreement. The designation shall be made on the "Designation of Beneficiary" form attached to this Agreement marked Exhibit "A." A beneficiary designation shall not be effective unless it is filed with the Secretary of the Company. In the absence of an effective beneficiary designation, any amount due under this Agreement shall be paid to the spouse of Employee, if living, or to his children by right of representation, per stirpes. If the Employee has no surviving spouse or children, the benefits to be paid shall be paid as designated by the Employee in his Last Will and Testament. If the Employee leaves no Will and leaves no spouse or children, then benefits shall be paid to his estate.

If a beneficiary begins receiving annual payments hereunder due to Employee's death and said beneficiary were to die prior to receiving the balance of the annual payments, then the beneficiary may complete the Designation of Beneficiary form naming his or her own beneficiary. In the absence of an effective beneficiary designation, any amount shall be paid to the spouse of the beneficiary, if living, or to his or her children by right of representation, per stirpes. If the beneficiary has no surviving spouse or children, the benefits shall be paid as

designated by the beneficiary in his or her Last Will and Testament. If the beneficiary leaves no Will and leaves no spouse or children, then benefits shall be paid to his or her estate.

11. Acceleration of Payments Due Employee. The Company reserves the right to accelerate the payment of any benefits that become due and payable under this Agreement without the consent of the Employee, his estate, his designated recipients, or any other person claiming through the Employee provided that such acceleration is permitted by Section 409A of the Internal Revenue Code and the regulations thereunder, specifically Regulation § 1.409A-3(j). No acceleration of benefits is permitted except as provided in Section 409A and the applicable regulations.

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Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101
(605) 368-2568

The Named Fiduciary shall have the authority to control and manage the operation and administration of this Agreement. This Agreement and all relevant documents shall be retained by the Named Fiduciary and made available for examination and copying by the parties at the above indicated business address.

Benefits shall be payable in accordance with the provisions of this Agreement. Employee or a beneficiary may file a claim with the Named Fiduciary if the Employee or beneficiary does not receive benefits in accordance with this Agreement.

If a claim for benefits is wholly or partially denied, a written notice of the decision shall be furnished to the claimant by the Named Fiduciary within a reasonable period of time after receipt of the claim, which notice shall include the following information:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to the pertinent provisions of this Agreement upon which the denial is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) An explanation of this Agreement's claim review procedures.

A claimant may appeal a denial of a claim, in accordance with the following procedure:

- (a) Claimant may request a review by written application to the Named Fiduciary not later than 60 days after receipt by the claimant of written notification of denial of a claim;
- (b) Claimant may review pertinent documents; and
- (c) Claimant may submit issues and comments in writing.

A decision on review of a denied claim shall be made no later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered within a reasonable period of time, but not later than one hundred twenty (120) days after the receipt of a request for review. The decision on review shall be in writing and shall include the specific reasons for the decision and specific references to the pertinent provisions of this Agreement on which the decision is based.

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14. Communications. Any notice or communication required of either party with respect to this Agreement shall be made in writing and may either be delivered personally or sent by first class mail as follows:

To Company:

Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101

To Employee:

Jason D. Becker
1401 W. Heatherridge Circle
Sioux Falls, SD 57108

Each party shall have the right by written notice to change the place to which any notice may be addressed.

15. Offset of Employee Obligations. If at such time as the Employee or a beneficiary shall become entitled to benefit payments under this Agreement if the Employee, or the beneficiary, or the Employee's estate shall have owed any outstanding debt to the Company, then such debt shall reduce and offset the amount of benefits otherwise payable hereunder. Notwithstanding the above, offset can only be made where such debt is incurred in the ordinary course of the service relationship between the Company and Employee, the entire amount of reduction in any of the Employee's taxable years does not exceed Five Thousand Dollars (\$5,000), and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Employee. If such benefits are to be paid on a periodic basis, modification of such benefits shall be computed by calculating the present value of such benefits (using the interest rate then applicable under Internal Revenue Code Section 7520(2) or the corresponding provision of any subsequent Federal Tax law; reducing such present value by such debt and then recomputing the amount of periodic benefits in accordance with the reduced present value (using the same Section 7520(2) interest rate).

16. Leave of Absence. The Board of Directors of the Company may, in its sole discretion, permit the Employee to take a leave of absence for a period of not more than one year. During such leave, for the purposes of this Agreement, the Employee will still be considered to be in the continuous employment of the Company.

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The Parties hereto agree:

- Arbitration is final and binding on the parties.
- The parties are waiving their rights to seek remedies in Court, including the right to jury trial.
- Pre-arbitration discovery is generally more limited than discovery in regular court proceedings.

- The arbitrator's award is not required to include factual findings or legal reasoning, and a party's right to appeal or seek modification is strictly limited.

19. Venue. Venue for any action, proceeding, counterclaim, cross-claim or other litigation arising under this agreement shall be in the applicable Court in the county and state where the Company's main office is located.

20. No Jury Trial. All parties hereto knowingly, voluntarily and intentionally waive any right which they may have to a trial by jury in respect to any litigation, whether arising in law or in equity, under this Agreement or the subject matter hereof. No litigation involving this Agreement may be consolidated or in any way combined with any other action in which a jury trial has not been waived.

21. Arbitration and/or Litigation Costs. In connection with any arbitration or litigation arising out of or under this Agreement, the prevailing party shall be entitled to recover all costs incurred, including court costs and attorney's fees. The term "attorney's fees" includes charges for any work done by staff, experts, or others engaged by the prevailing party's attorney to assist said attorney in the litigation of or furtherance of any litigation arising under or out of this Agreement.

22. Construction. Whenever the context so indicates, the masculine shall include the neuter and the feminine, the feminine shall include the masculine, and the neuter shall include the masculine and feminine. Whenever the context herein so indicates, the singular shall include the plural and the plural shall include the singular. Unless the context otherwise indicates, the terms "hereto," "hereof," "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. Captions and headings are for convenience of reference only, and shall not be the subject of any construction or interpretation under this Agreement.

23. Statutory Provisions. Any statutory or regulatory reference herein shall be deemed to include a reference to all statutory or regulatory revisions and amendments thereto.

24. No Right of Assignment. The Employee shall not have the right to sell, transfer, assign, pledge or otherwise encumber any rights or benefits which may be afforded him under this Agreement, and no such attempt shall be recognized by the Company. Subject to the restrictions against transfer or assignment herein contained, the provisions of this Agreement shall be binding on the assigns, successors in interest, personal representatives, guardians, attorneys-in-fact, estates, heirs, and legatees of each party hereto.

25. Exhibits. Any and all exhibits, schedules and appendices attached hereto which are referred to herein are an integral part hereof and are hereby incorporated into and made a part of this Agreement for all purposes.

26. Confidentiality. Employee agrees to keep the terms of this Agreement strictly confidential. Employee represents and warrants that he has not and will not nor will he direct nor permit any member of his family to disclose or reveal to any person or entity the substance of

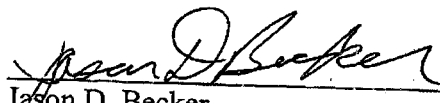
the terms and conditions of this Agreement. Notwithstanding the foregoing, Employee may disclose the existence and terms of this Agreement to, as applicable, his spouse and attorneys, and his financial advisors for tax purposes or financial planning provided that he first secures their agreement to keep the existence and terms of this Agreement strictly confidential. Further, without violating the terms hereof, Employee may disclose the existence and terms of this Agreement as may otherwise be required by law. Company intends that this Agreement be kept strictly confidential since it is meant to benefit Employee as a member of a select group of management and not all of Company's employees. If Employee violates the provisions of this section, Company reserves the right to terminate this Agreement as may be allowed by law.

27. Entire Agreement. This Agreement and related documents signed by a representative of the Company and the Employee contain the entire understanding between and among the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or otherwise, between or among the parties hereto, relating to the subject matter of this Agreement, which have not been fully expressed herein.

28. Governing Law: Invalidity. This Agreement shall be subject to and governed by the laws of the State of South Dakota. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, but this Agreement will be given effect in such manner as will best carry the purposes and intentions of the parties and so this Agreement will be administrated and interpreted to be consistent with the requirements of Section 409A of the Internal Revenue Code and regulations thereunder.

The parties hereto have executed this Agreement on the day and year first above written.

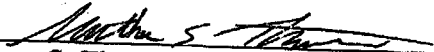
EMPLOYEE:



Jason D. Becker

COMPANY:

THORNTON CARPET, INC.

By 

Matthew S. Thornton
Its Vice President

EXHIBIT A

DESIGNATION OF BENEFICIARY

Pursuant to the terms of a nonqualified Deferred Compensation Agreement dated November 5th, 2012, between myself and Thornton Carpet, Inc., I hereby designate the following Beneficiary(ies) to receive any payments which may be due under such Agreement after my death:

Primary Beneficiary: _____

DOB: _____

Secondary Beneficiaries:

_____ DOB: _____


_____ DOB: _____

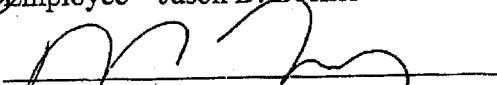
_____ DOB: _____

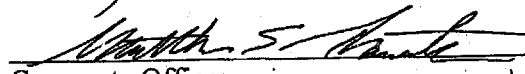

The Primary Beneficiary named above shall be the designated beneficiary referred to in Article 10 of said Agreement if (s)he is living at the time a death benefit payment thereunder becomes due and payable, and the Secondary Beneficiary(ies) named above shall be the designated beneficiary referred to in Article 10 of said Agreement only if they are living at the time a death benefit payment becomes payable and the Primary Beneficiary is not then living.

This designation hereby revokes any prior designation which may have been in effect.

Date: 11-5-2012


Employee - Jason D. Becker


Witness

Acknowledged by:  _____ 
Corporate Officer Title

THORNTON CARPET, INC.
DEFERRED COMPENSATION AGREEMENT
WITH
TYSON E. BULT

THIS AGREEMENT is effective this 6th day of November, 2012, between THORNTON CARPET, INC. (the "Company"), a corporation organized and existing under the laws of the State of South Dakota, and TYSON E. BULT, of Sioux Falls, South Dakota (the "Employee").

RECITALS:

- A. The Employee is employed by the Company.
- B. The Company recognizes the valuable services heretofore performed by Employee and desires to encourage the continued employment of Employee.
- C. The Company has decided to establish a deferred compensation arrangement in order to provide certain benefits to Employee or Employee's designated beneficiary as an inducement for Employee to continue employment with the Company.
- D. The Company and the Employee intend that this Agreement shall be considered an unfunded arrangement, maintained primarily to provide deferred compensation benefits for Employee and shall be considered a top hat arrangement for purposes of the Employee Retirement Income Security Act of 1974, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Employment. The Company agrees to continue the employment of Employee in such capacity as the Company may from time to time determine. During the term of his continued employment, the Employee agrees to continue to devote his best efforts to the business and affairs of the Company. The Employee will continue in the employment of the Company in such capacity and with such duties and responsibilities as may be assigned to his and with such compensation as may be determined from time to time by the Board of Directors of the Company.

This Agreement shall not constitute a contract of employment between the Employee and the Company and shall create no right in the Employee to continue in the Company's employ for any specific period of time, or to create any other rights in the Employee nor obligations on the part of the Company, except as set forth in this Agreement. Nor shall any provision hereof restrict the right of the Company to discharge the Employee at any time, with or without cause. This Agreement shall not restrict the right of Employee to terminate his employment with the Company.

“account” shall mean any reserve, amount, or account set aside to satisfy Company’s obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee. Company may, at its option, pay such sum in a lump-sum payment or pay such sum to Employee in equal installments each year for a period of seven (7) years, with the first annual payment to commence on the first business day of the first calendar month immediately following the month in which the Employee is terminated and on the same day of each year thereafter until paid in full. If the Employee dies before receiving the full payment hereunder, the Company will then pay such amount to the individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

The Employee shall be considered permanently and totally disabled if he is unable to perform his usual and customary duties in a manner satisfactory to the Board of Directors of the Company and such disability is expected to continue for a period of at least twelve (12) consecutive months. The determination of whether the Employee is permanently and totally disabled shall be made by the Board of Directors of the Company based upon medical evidence satisfactory to the Board of Directors.

5. Benefits Upon Voluntary Termination of Service or Discharge Prior to Vesting Date. If the Employee shall voluntarily terminate his employment with the Company or be discharged by the Company for any reason prior to his Vesting Date, the obligations of the Company under Sections 2, 3 and 4 shall cease and Employee shall receive no deferred compensation benefits.

6. Benefits Upon Change in Control. The term “Change in Control” shall mean the cumulative transfer of more than 60% of the common stock of the Company. For purposes of this Agreement, transfers of the Company common stock on account of death, gifts, transfers between family members, transfers to or between trusts for the benefit of family members, or transfers to a qualified retirement plan maintained by the Company, shall not be considered in determining whether there has been a Change in Control. Upon a Change in Control as defined above, the Employee who is employed on the date of the Change in Control will be entitled to receive a lump-sum payment equal to the accumulated value of any life insurance or annuity contract maintained by the Company for the benefit of Employee. Said payment will be made within 60 days of the event causing a Change of Control. Employee shall be entitled to no other benefit or payment upon a Change in Control except as provided in this Section 6.

7. Alienability. Neither the Employee nor any beneficiary under this Agreement shall have any power or right to transfer, assign, anticipate, hypothecate, mortgage, commute, modify or otherwise encumber in advance any of the benefits payable hereunder, nor shall any of said benefits be subject to seizure for the payment of any debts, judgments, alimony or separate maintenance owed by Employee or his beneficiary. The benefits hereunder shall not be transferable by operation of law or in the event of bankruptcy, insolvency, or otherwise. In the event Employee or any beneficiary attempts an assignment, commutation, hypothecation,

designated by the beneficiary in his or her Last Will and Testament. If the beneficiary leaves no Will and leaves no spouse or children, then benefits shall be paid to his or her estate.

11. Acceleration of Payments Due Employee. The Company reserves the right to accelerate the payment of any benefits that become due and payable under this Agreement without the consent of the Employee, his estate, his designated recipients, or any other person claiming through the Employee provided that such acceleration is permitted by Section 409A of the Internal Revenue Code and the regulations thereunder, specifically Regulation § 1.409A-3(j). No acceleration of benefits is permitted except as provided in Section 409A and the applicable regulations.

12. ERISA Requirements. The Vice President of the Company is hereby designated as the Named Fiduciary and Plan Administrator of this Deferred Compensation Agreement, in accordance with the Employee Retirement Income Security Act of 1974, and shall serve in such capacity until resignation or removal by the Board of Directors of the Company and appointment of a successor. The business address and telephone number of the Named Fiduciary is:

Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101
(605) 368-2568

The Named Fiduciary shall have the authority to control and manage the operation and administration of this Agreement. This Agreement and all relevant documents shall be retained by the Named Fiduciary and made available for examination and copying by the parties at the above indicated business address.

Benefits shall be payable in accordance with the provisions of this Agreement. Employee or a beneficiary may file a claim with the Named Fiduciary if the Employee or beneficiary does not receive benefits in accordance with this Agreement.

If a claim for benefits is wholly or partially denied, a written notice of the decision shall be furnished to the claimant by the Named Fiduciary within a reasonable period of time after receipt of the claim, which notice shall include the following information:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to the pertinent provisions of this Agreement upon which the denial is based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) An explanation of this Agreement's claim review procedures.

15. Offset of Employee Obligations. If at such time as the Employee or a beneficiary shall become entitled to benefit payments under this Agreement if the Employee, or the beneficiary, or the Employee's estate shall have owed any outstanding debt to the Company, then such debt shall reduce and offset the amount of benefits otherwise payable hereunder. Notwithstanding the above, offset can only be made where such debt is incurred in the ordinary course of the service relationship between the Company and Employee, the entire amount of reduction in any of the Employee's taxable years does not exceed Five Thousand Dollars (\$5,000), and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Employee. If such benefits are to be paid on a periodic basis, modification of such benefits shall be computed by calculating the present value of such benefits (using the interest rate then applicable under Internal Revenue Code Section 7520(2) or the corresponding provision of any subsequent Federal Tax law; reducing such present value by such debt and then recomputing the amount of periodic benefits in accordance with the reduced present value (using the same Section 7520(2) interest rate).

16. Leave of Absence. The Board of Directors of the Company may, in its sole discretion, permit the Employee to take a leave of absence for a period of not more than one year. During such leave, for the purposes of this Agreement, the Employee will still be considered to be in the continuous employment of the Company.

17. Amendment. During the lifetime of the Employee, this Agreement may be amended or revoked only by written agreement signed by the Employee and the president of the Company.

18. Arbitration. Any party to this Agreement may demand in writing arbitration of all claims, disputes or questions arising out of or relating hereto, which claims, disputes or questions shall not include or change any determination which has been rendered as a result of the sole discretion vested in the Named Fiduciary, and all such matters submitted shall be finally settled by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect from time to time, and the decision rendered by the arbitrators may be entered in any court having jurisdiction thereof. The location for arbitration shall be in the offices of the Company or such other location as the parties may agree. Request for arbitration shall be made no later than 120 days prior to the date on which legal proceedings would be barred with respect to said subject matter, or any part thereof, by applicable statute of limitations. If an action has been commenced by either party hereto against the other party for any reason, then there shall be no further objection on the part of either party to arbitrate any matter.

The Parties hereto agree:

- Arbitration is final and binding on the parties.
- The parties are waiving their rights to seek remedies in Court, including the right to jury trial.
- Pre-arbitration discovery is generally more limited than discovery in regular court proceedings.

the terms and conditions of this Agreement. Notwithstanding the foregoing, Employee may disclose the existence and terms of this Agreement to, as applicable, his spouse and attorneys, and his financial advisors for tax purposes or financial planning provided that he first secures their agreement to keep the existence and terms of this Agreement strictly confidential. Further, without violating the terms hereof, Employee may disclose the existence and terms of this Agreement as may otherwise be required by law. Company intends that this Agreement be kept strictly confidential since it is meant to benefit Employee as a member of a select group of management and not all of Company's employees. If Employee violates the provisions of this section, Company reserves the right to terminate this Agreement as may be allowed by law.

27. Entire Agreement. This Agreement and related documents signed by a representative of the Company and the Employee contain the entire understanding between and among the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or otherwise, between or among the parties hereto, relating to the subject matter of this Agreement, which have not been fully expressed herein.

28. Governing Law; Invalidity. This Agreement shall be subject to and governed by the laws of the State of South Dakota. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision, but this Agreement will be given effect in such manner as will best carry the purposes and intentions of the parties and so this Agreement will be administrated and interpreted to be consistent with the requirements of Section 409A of the Internal Revenue Code and regulations thereunder.

The parties hereto have executed this Agreement on the day and year first above written.

EMPLOYEE:

COMPANY:

THORNTON CARPET, INC.



Tyson E. Bult

By



Matthew S. Thornton
Its Vice President

**THORNTON CARPET, INC.
DEFERRED COMPENSATION AGREEMENT
WITH
DOMINIC J. MICKELSON**

THIS AGREEMENT is effective this 6th day of November, 2012, between THORNTON CARPET, INC. (the "Company"), a corporation organized and existing under the laws of the State of South Dakota, and DOMINIC J. MICKELSON, of Sioux Falls, South Dakota (the "Employee").

RECITALS:

- A. The Employee is employed by the Company.
- B. The Company recognizes the valuable services heretofore performed by Employee and desires to encourage the continued employment of Employee.
- C. The Company has decided to establish a deferred compensation arrangement in order to provide certain benefits to Employee or Employee's designated beneficiary as an inducement for Employee to continue employment with the Company.
- D. The Company and the Employee intend that this Agreement shall be considered an unfunded arrangement, maintained primarily to provide deferred compensation benefits for Employee and shall be considered a top hat arrangement for purposes of the Employee Retirement Income Security Act of 1974, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Employment. The Company agrees to continue the employment of Employee in such capacity as the Company may from time to time determine. During the term of his continued employment, the Employee agrees to continue to devote his best efforts to the business and affairs of the Company. The Employee will continue in the employment of the Company in such capacity and with such duties and responsibilities as may be assigned to his and with such compensation as may be determined from time to time by the Board of Directors of the Company.

This Agreement shall not constitute a contract of employment between the Employee and the Company and shall create no right in the Employee to continue in the Company's employ for any specific period of time, or to create any other rights in the Employee nor obligations on the part of the Company, except as set forth in this Agreement. Nor shall any provision hereof restrict the right of the Company to discharge the Employee at any time, with or without cause. This Agreement shall not restrict the right of Employee to terminate his employment with the Company.

“account” shall mean any reserve, amount, or account set aside to satisfy Company’s obligations to fund the deferred compensation for Employee, provided, however, that such account is not held in trust for Employee. Company may, at its option, pay such sum in a lump-sum payment or pay such sum to Employee in equal installments each year for a period of seven (7) years, with the first annual payment to commence on the first business day of the first calendar month immediately following the month in which the Employee is terminated and on the same day of each year thereafter until paid in full. If the Employee dies before receiving the full payment hereunder, the Company will then pay such amount to the individual or individuals designated by the Employee pursuant to Section 10. If a beneficiary begins receiving the balance of the annual payments which were to be paid to the Employee and said beneficiary were to die prior to receiving the balance of said annual payments, then the balance of said annual payments shall be paid and distributed, also pursuant to Section 10 hereof.

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Thornton Carpet, Inc.
27106 Independence Avenue
Sioux Falls, SD 57108-8101
(605) 368-2568

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If a claim for benefits is wholly or partially denied, a written notice of the decision shall be furnished to the claimant by the Named Fiduciary within a reasonable period of time after receipt of the claim, which notice shall include the following information:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to the pertinent provisions of this Agreement upon which the denial is based;
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18. Arbitration. Any party to this Agreement may demand in writing arbitration of all claims, disputes or questions arising out of or relating hereto, which claims, disputes or questions shall not include or change any determination which has been rendered as a result of the sole discretion vested in the Named Fiduciary, and all such matters submitted shall be finally settled by binding arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect from time to time, and the decision rendered by the arbitrators may be entered in any court having jurisdiction thereof. The location for arbitration shall be in the offices of the Company or such other location as the parties may agree. Request for arbitration shall be made no later than 120 days prior to the date on which legal proceedings would be barred with respect to said subject matter, or any part thereof, by applicable statute of limitations. If an action has been commenced by either party hereto against the other party for any reason, then there shall be no further objection on the part of either party to arbitrate any matter.

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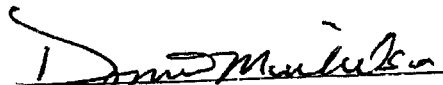
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The parties hereto have executed this Agreement on the day and year first above written.

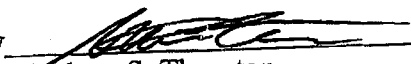
EMPLOYEE:

COMPANY:

THORNTON CARPET, INC.



Dominic J. Mickelson

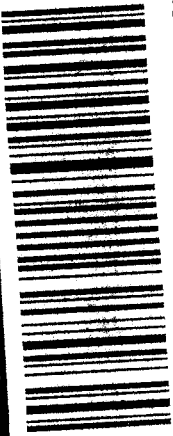
By 

Matthew S. Thornton
Its Vice President

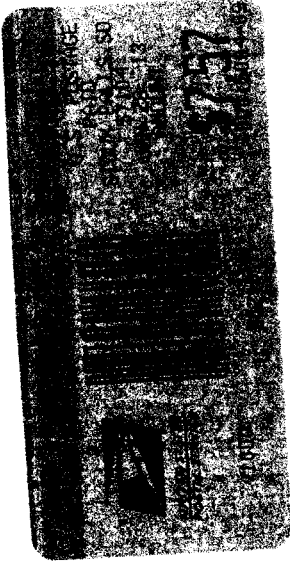
Certified Public Accountants
& Consultants

222 S. Minnesota Avenue
Sioux Falls, SD 57104-4877

CERTIFIED MAILTM



7012 0470 0002 0788 2224



Top Hat Plan Exemption
Pension & Welfare Benefits Administration
Room N-5644
200 Constitution Ave., NW
Washington, DC 20210