

LEASE AGREEMENT

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

This lease agreement entered into on this the 1st day of December, 2000 by and between Forrest W. Frost and Donna Frost, hereinafter referred to as Lessors, and Southern Home Furniture, Inc., a corporation, hereinafter referred to as Lessee.

In consideration of the mutual covenants and agreements contained herein, the Lessors, hereby rent and lease unto the Lessee the fifty percent ownership interest in real estate and improvements located thereon, more particularly described in the attached Exhibit "A", for the occupation and use by it as retail furniture establishment and not otherwise, for a term of five (5) years from the 1st day of January, 2001.

The Lessee agrees to pay to the Lessors no less than the sum of \$5,000 per month beginning January 1, 2001 through December 31, 2005. The lease will continue month to month thereafter until cancelled in writing by either party with at least a 30 day notice.

The Lessee shall be responsible for insurance coverage, maintenance and upkeep of the premises and improvements located thereon, and the Lessee shall maintain the premises and improvements located thereon in good condition and repair.

Should the Lessee fail to pay the rent or any installment thereof, as it matures, as above stipulated, or otherwise breach any other condition of this lease, or violate any laws of the State of Alabama as to the use of the premises, such shall, at the option of the Lessors, operate to terminate the lease, and give the Lessors the immediate right to re-enter; and in order to so terminate the lease under the conditions named and to vest the Lessors with such right of re-entry, no notice or demand shall be necessary; and upon this lease being terminated, by expiration of time or for some other cause, the Lessee agrees it wants to vacate the premises and peacefully surrender possession of the same to Lessors in like condition as at the commencement of this lease, normal wear and tear accepted.


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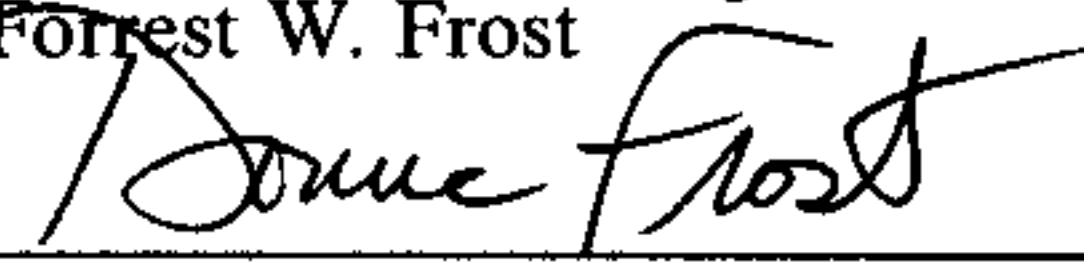
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The Lessee shall not sublet or sublease the premises without the prior written consent of the Lessors.

The failure of the Lessors to insist upon strict performance of the terms, covenants, agreements and conditions contained herein, or any of them, shall not constitute or be construed as a waiver or relinquishment of the rights of the Lessors to thereafter enforce any such terms, covenants, agreements or conditions, for the same shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto executed this lease agreement on this the 1st day of December, 2000.



Forrest W. Frost


Donna Frost

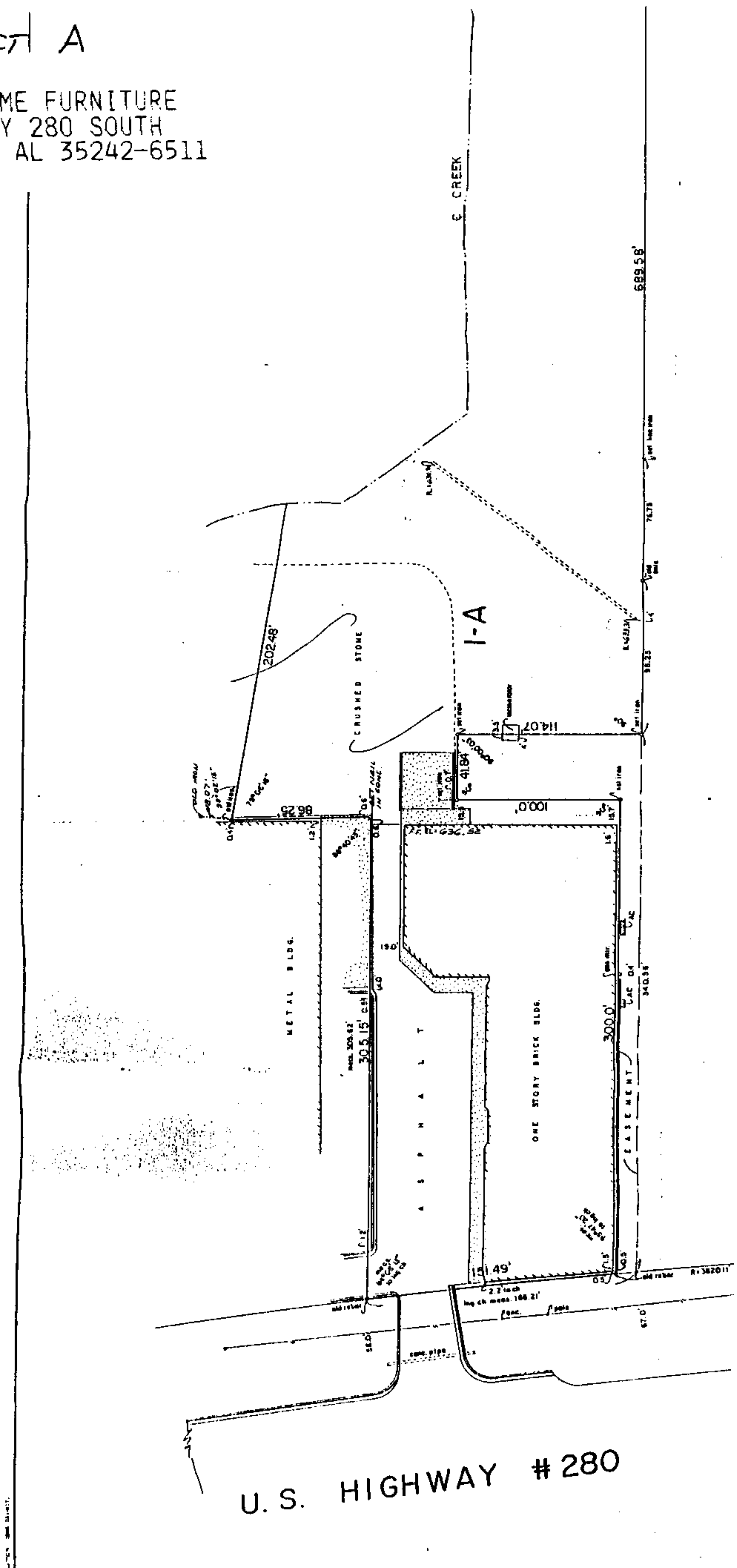
Southern Home Furniture, Inc., a Corporation



By: Leona Tatum - Its President

EXHIBIT A

SOUTHERN HOME FURNITURE
5475 HIGHWAY 280 SOUTH
BIRMINGHAM, AL 35242-6511



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