

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made as of this 10 day of December, 2002, by and among Column Financial, Inc., a Delaware corporation (hereinafter "Lender"), Stein Mart, Inc., a Florida corporation (hereinafter "Tenant"), and Colonial Realty, L.P., a Delaware limited partnership (hereinafter "Landlord").

WITNESSETH:

WHEREAS, by a certain lease heretofore entered into between Landlord and Tenant, dated as of October 12, 2001, and amended by N/A (collectively, the "Lease"), covering the premises described in the Lease consisting of approximately a 34,000 square foot space (the "Premises") in that certain building located at Colonial Promenade-Hoover, Hoover, Jefferson County, Alabama (the "Property") and more particularly described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Lender has made or is about to make a loan to Landlord secured by a mortgage or deed of trust (hereinafter, the "Mortgage") encumbering the Property and an assignment of Landlord's interest in the Lease owned by Landlord (hereinafter, the "Assignment"); and

WHEREAS, a copy of the Lease has been delivered to Lender, the receipt of which is hereby acknowledged; and

WHEREAS, Lender is unwilling to make said loan to the Landlord unless the Lease is subordinate to the lien of the Mortgage; and

WHEREAS, the Lease provides that upon request, Tenant shall subordinate its rights under the Lease to the lien of any mortgage in force against the Premises provided each mortgagee executes a non-disturbance agreement in a form reasonably acceptable to Tenant; and

WHEREAS, the parties hereto desire to effect the subordination of the Lease to the lien of the Mortgage and to provide for the non-disturbance of Tenant by Lender.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Tenant covenants and agrees with Lender that the Lease is and shall continue to be subject and subordinate to the lien of the Mortgage (as same may be modified and extended), subject to the provisions of this Agreement.
2. Tenant certifies that the Lease is presently in full force and effect.

Land Title

3. Lender agrees that so long as the Lease shall be in full force and effect and Tenant is not in default thereunder beyond any applicable cure period:

- (a) Except as required by applicable law governing foreclosures and/or sales pursuant to power of sale, Tenant shall not be named or joined as a party defendant or otherwise in any suit, action or proceeding for the foreclosure of the Mortgage or to enforce any rights under the Mortgage or the bond or note or other obligation secured thereby.
- (b) The possession by Tenant of the Leased Premises and the Tenant's rights thereto shall not be disturbed, affected or impaired by, nor will the Lease or the term thereof be terminated or otherwise adversely affected by (i) any suit, action or proceeding upon the Mortgage or the bond or note or other obligation secured thereby, or for the foreclosure of the Mortgage or the enforcement of any rights under the Mortgage or any other documents held by Lender, or by any judicial sale or execution or other sale of the Property, or by any deed given to Lender by any other documents or as a matter of law, or (ii) any default under the Mortgage or the bond or note or other obligation secured thereby, or (iii) Lender's exercise of any right under the Mortgage prior to foreclosure or prior to the date Lender may succeed to the interest of Landlord..

4. Lender hereby acknowledges and agrees that all fixtures and equipment whether owned by Tenant or any subtenant or leased by Tenant and installed in or on the Leased Premises, regardless of the manner or mode of attachment, shall be and remain the property of Tenant and may, subject to the provisions of the Lease, be removed by Tenant at any time. In no event (including a default under the Lease or Mortgage) shall Lender have any liens, rights or claims in Tenant's fixtures and equipment, whether or not all or any part thereof shall be deemed fixtures, or in Tenant's merchandise or other personal property located in the Premises; and Lender expressly waives all rights of levy, distraint, or execution with respect to said fixtures and equipment arising out of the Mortgage.

5. If Lender shall become the owner of the Property by reason of foreclosure of the Mortgage or otherwise, or if the Property shall be sold as a result of any action or proceeding to foreclose the Mortgage or by a deed given in lieu of foreclosure, the Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct lease between Tenant, as Tenant thereunder, and the then owner of the Property, as Landlord thereunder, upon all of the same terms, covenants and provisions contained in the Lease, and in such event:

- (a) Tenant shall be bound to such new owner under all of the terms, covenants and provisions of the Lease for the remainder of the term thereof (including the option periods, if Tenant elects or has elected to exercise its options to extend the term) and Tenant hereby agrees to attorn to such new owner and to recognize such new owner as the landlord under the Lease; and

- (b) If Tenant is not in default under the Lease beyond any applicable cure period, such new owner shall be bound to Tenant under all of the terms, covenants and provisions of the Lease for the remainder of the term thereof (including the option periods, if Tenant elects or has elected to exercise its options to extend the term) which terms, covenants and provisions such new owner hereby agrees to assume and perform, provided, however, that Lender or any successor or assignee of Lender shall not (i) be bound by any deposit or rental security paid to any prior landlord under the Lease including, without limitation, the Landlord, unless received and receipted for by Lender or its successor or assignee; (ii) be liable for any act or omission of any prior landlord under the Lease, including, without limitation, the Landlord, except for lease defaults which continue after Lender or such new owner succeeds to Landlord's interest; (iii) be subject to any offsets or defenses which Tenant may have against any prior landlord under the Lease, including Landlord, except for any offsets or defenses which Lender had notice and failed to cure; and (iv) be bound by any amendment or modification of the Lease made without Lender's consent, which such consent will not be unreasonably withheld or delayed.

6. After written notice is given to Tenant by Lender that the rentals due under the Lease are to be paid to Lender, Tenant shall pay to Lender all rentals due to Landlord under the Lease. Landlord hereby expressly authorizes Tenant to make such payments to Lender and hereby releases and discharges Tenant of and from any liability to Landlord on account of any such payments.

7. Tenant shall give Lender written notice of any default by Landlord under the Lease. Lender shall have the same period of time provided Landlord under the Lease within which to cure such default.

8. Landlord and Tenant shall not enter into any agreement that provides for a termination or surrender of the Lease (except as provided in the Lease), without the written consent of Lender, which such consent will not be unreasonably withheld or delayed.

9. Tenant shall not pay any installment of rent more than thirty (30) days prior to the due date unless such prepayment is expressly required by the Lease.

10. Any notices or communications given under this Agreement shall be in writing and shall be given by hand delivery, served by certified mail, return receipt requested, postage prepaid, or sent by United States express mail or private overnight courier: (a) if to Lender, at 11 Madison Avenue, 5th Floor, New York, New York 10010 Attn: Edmund Taylor; (b) if to Tenant, at 1200 Riverplace Boulevard, Jacksonville, Florida 32207; or (c) if to Landlord, at c/o Colonial Properties Trust 2101 6th Avenue North, Suite 750, Birmingham, Alabama 35202. Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

11. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. This Agreement contains the entire agreement between the parties and cannot be changed, modified, waived or canceled except by an agreement in writing executed by the party against whom enforcement of such modification, change, waiver or cancellation is sought.

13. Each of Tenant, Lender and Landlord hereby irrevocably waive all right to trial by jury in action, proceeding, or counterclaim arising out of or relating to this agreement.

14. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

LENDER:

COLUMN FINANCIAL, INC., a Delaware corporation

By: 

Name: ROBERT J. O'NEILL

Title: VICE PRESIDENT

TENANT:

STEIN MART, INC., a Florida corporation

By: 

Name: Michael D. Fisher

Title: President

AGREED AND CONSENTED TO:

Colonial Realty Limited Partnership

a Delaware limited partnership

By: Colonial Properties Trust

Its: General Partner

By: 

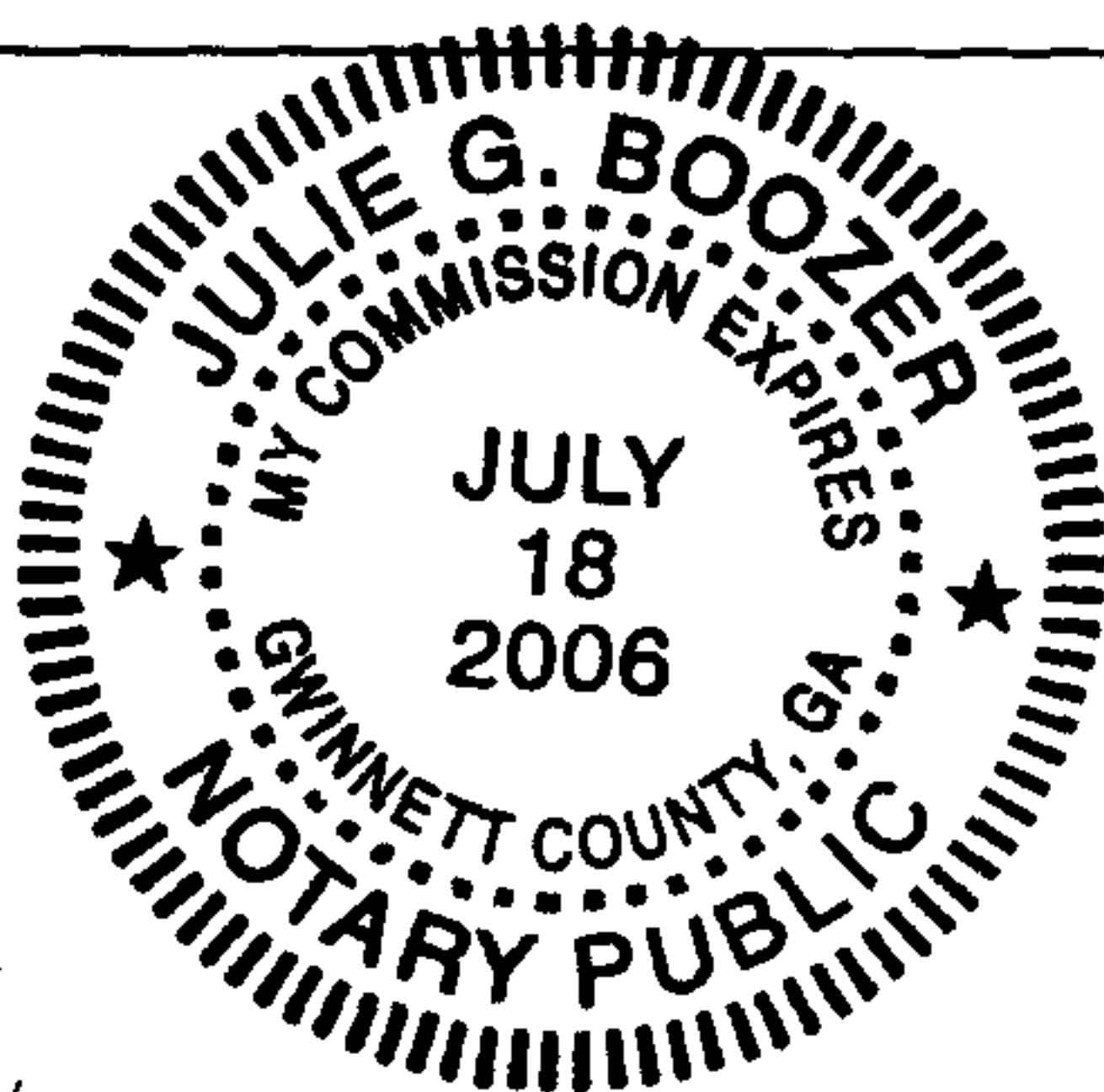
Name: Paul C. Glascock

Title: S.V.P.

STATE OF Georgia
COUNTY OF Gwinnett

The foregoing instrument was acknowledged before me this 10 day of Dec, 2002, by Robert J. O'Neill, as Vice President of Column Financial Inc., a Delaware corporation, on behalf of the Lender, who ☒ is personally known to me, OR _____ has produced _____ as identification,

(NOTARY STAMP)



Julie G. Booser
NOTARY NAME: _____
NOTARY PUBLIC
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 15th day of November, 2002, by Michael D. Fisher, as President of STEIN MART, INC., a Florida corporation, who is personally known to me.



(NOTARY STAMP)

Connie L. Wenzel
Commission # CC 976446
Expires Oct. 22, 2004
Bonded Thru
Atlantic Bonding Co., Inc.

Connie L. Wenzel
NOTARY PUBLIC

STATE OF Alabama
COUNTY OF Jefferson

The foregoing instrument was acknowledged before me this 6th day of December, 2002, by Paul Glascock, as Senior V.P. of Colonial Properties Trust, a Alabama Real Estate Investment Trust, on behalf of the Lender, who ☒ is personally known to me, OR _____ has produced _____ as identification,

(NOTARY STAMP)

Sharon Dargan
NOTARY NAME: Sharon Dargan
NOTARY PUBLIC
My Commission Expires: 12-27-05

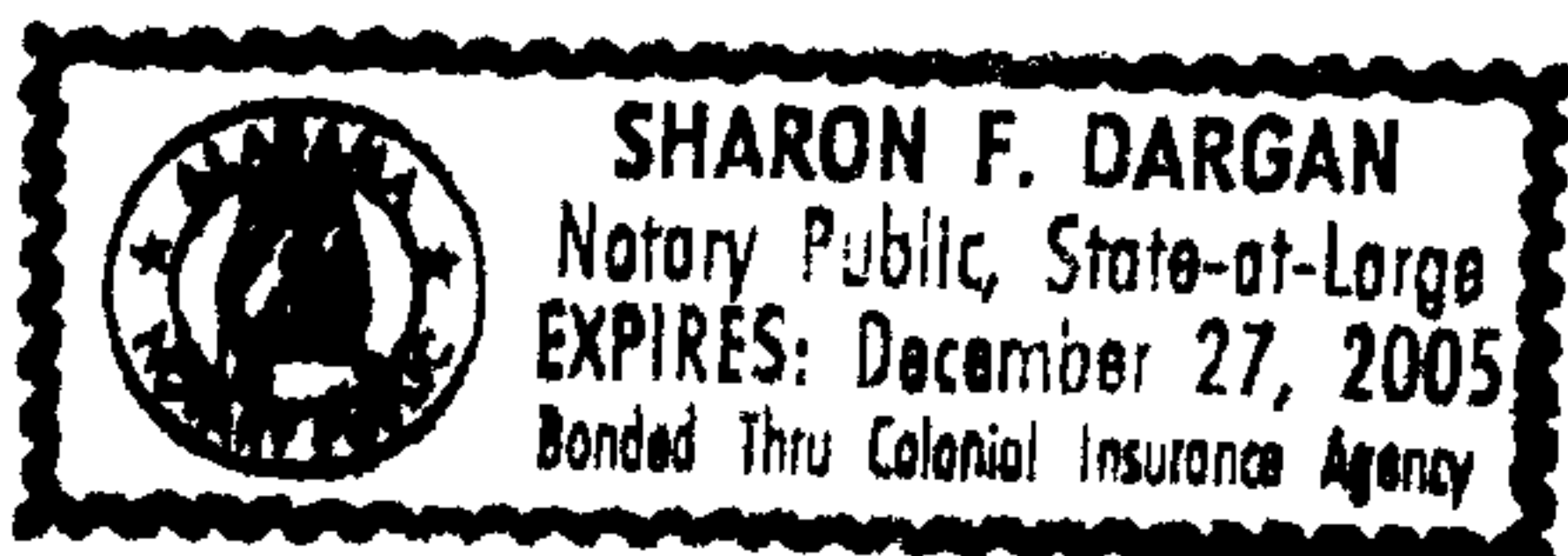
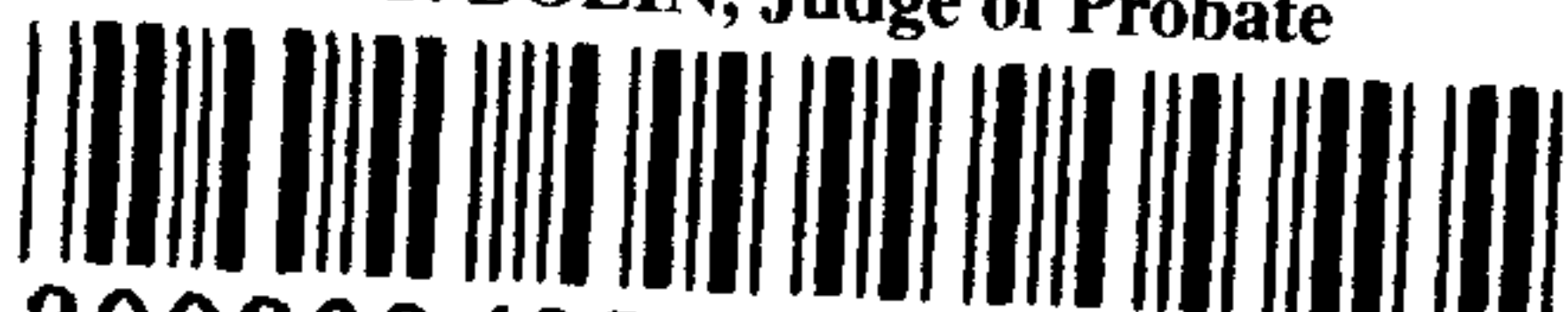


EXHIBIT A

SHOPPING CENTER LEGAL DESCRIPTION

Lot 1 and Lot 3 according to the Final Plat of Colonial Promenade Hoover Phase II as recorded in Map Book 37, Page 15 in the Office of the Judge of Probate of Jefferson County, Bessemer Division, Alabama and in Map Book 29, Page 149 in the Office of the Judge of Probate of Shelby County, Alabama.

State of Alabama - Jefferson County
I certify this instrument filed on:
2002 DEC 20 P.M. 14:36
Recorded and \$ **17.00** Mtg. Tax
and \$ **17.00** Deed Tax and Fee Amt.
Total \$ **17.00**
MICHAEL F. BOLIN, Judge of Probate

200263/9882 BESS