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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

September 18, 2018
(Date of Report; Date of Earliest Event Reported)

STEIN MART, INC.
(Exact Name of Registrant as Specified in its Charter)

Florida
**(State or Other Jurisdiction
of Incorporation)**

0-20052
**(Commission
File Number)**

64-0466198
**(IRS Employer
Identification No.)**

1200 Riverplace Blvd., Jacksonville, Florida 32207
(Address of Principal Executive Offices Including Zip Code)

(904) 346-1500
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

Effective September 18, 2018, Stein Mart, Inc. (the “Company”) and Stein Mart Buying Corp. (together with the Company, the “Term Loan Borrowers”), and Stein Mart Holding Corp. (along with certain other subsidiaries of the Borrowers from time to time party thereto, collectively the “Term Loan Guarantor”), entered into the Second Amendment to Term Loan Credit Agreement with Gordon Brothers Finance Company, as agent (in such capacity, the “Term Loan Agent”), and Gordon Brothers Finance Company LLC, as lender (the “Amendment No. 2 to Term Loan Agreement”). On the same date, the Company, as lead borrower, Stein Mart Buying Corp. (together with the Company, the “Revolving Credit Facility Borrowers”), as borrowers, Stein Mart Holding Corp., as guarantor (along with certain other subsidiaries of the Revolving Credit Facility Borrowers from time to time party thereto, collectively the “Revolving Credit Facility Guarantors”), and Wells Fargo Bank, National Association, as administrative agent (in such capacity, the “Revolving Credit Facility Agent”) and as a lender, entered into Amendment No. 3 to Second Amended and Restated Credit Agreement (“Amendment No. 3 to Revolving Credit Agreement”). All terms used but not defined in Amendment No. 2 to Term Loan Agreement and Amendment No. 3 to Revolving Credit Agreement shall have the respective meanings assigned thereto in that certain Term Loan Credit Agreement, dated as of March 14, 2018, as amended (the “Term Loan Agreement”), and the Second Amended and Restated Credit Agreement, dated as of February 3, 2015, as amended (the “Revolving Credit Agreement”), respectively.

The Term Loan Agent and the Revolving Credit Facility Agent entered into Amendment No. 1 to Intercreditor Agreement, dated as of September 18, 2018.

Amendment to Term Loan Agreement

Amendment No. 2 to Term Loan Agreement provides for, among other things, the following: (1) the reduction of the maximum amount of the Term Loan to \$35,000,000; (2) an extension of the maturity date of the Term Loan Agreement to the earlier of (a) the termination date specified in the Revolving Credit Agreement, and (b) September 18, 2023; (3) the reduction of the non-default interest rate applicable to the Term Loan under the Term Loan Agreement to a fluctuating rate of interest equal to three-month LIBOR (with a floor of 1.5%) plus 8.25% per annum; and (4) the elimination of Cash Dominion Event status and a change in the definition of Cash Dominion Event to be triggered in the event of (a) the occurrence and continuance of any Event of Default or (b) Excess Availability of less than (A) 10.0% of the Revolving Loan Cap at any time or (B) 12.5% of the Revolving Loan Cap for 3 consecutive Business Days.

Amendment to Revolving Credit Agreement

Amendment No. 3 to the Revolving Credit Agreement provides for, among other things, the following: (1) the increase of Aggregate Tranche A Revolving Loan Commitments from \$225 million to \$240 million; (2) an extension of the Maturity Date of the Revolving Credit Agreement to the earlier of (a) the maturity date of the Term Loan Agreement or (b) September 18, 2023; and (3) the elimination of Cash Dominion Event status and a change in the definition of Cash Dominion Event to be triggered in the event of (a) the occurrence and continuance of any Event of Default or (b) Excess Availability of less than (A) 10.0% of the Loan Cap at any time or (B) 12.5% of the Loan Cap for 3 consecutive Business Days.

Amendment to Intercreditor Agreement

The Term Loan Agent and the Revolving Credit Facility Agent have entered into that certain Amendment No. 1 to Intercreditor Agreement dated as of September 18, 2018 (“Amendment No. 1 to Intercreditor Agreement”), acknowledged by the Borrowers and Guarantors under the Term Loan and the revolving credit facility evidenced by the Revolving Credit Agreement (the “Revolving Credit Facility”), whereby they have agreed to certain matters with respect to the Term Loan and the Revolving Credit Facility.

In the ordinary course of their respective businesses, certain of the lenders and the other parties to the Revolving Credit Facility and their affiliates have engaged, and may in the future engage, in commercial banking, investment banking, financial advisory or other services with the Company and its affiliates for which they have in the past and may in the future receive customary compensation and expense reimbursement.

The preceding summaries of the material terms of the Amendment No. 2 to Term Loan Agreement, Amendment No. 3 to Revolving Credit Agreement and Amendment No. 1 to Intercreditor Agreement are not complete and are qualified in their entirety by reference to the full text of such agreements, which are filed herewith as Exhibits 10.1, 10.2 and 10.3, respectively. In the event of any discrepancy between the preceding summaries and the text of Amendment No. 2 to Term Loan Agreement, Amendment No. 3 to Revolving Credit Agreement or Amendment No. 1 to Intercreditor Agreement, the text of the applicable agreement shall control.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

The disclosure required by this item is included in Item 1.01 and is incorporated herein by reference.

ITEM 7.01 REGULATION FD DISCLOSURE

On September 18, 2018, the Company issued a press release announcing the Company has entered into Amendment No. 2 to Term Loan Agreement and Amendment No. 3 to Revolving Credit Agreement. The press release is furnished hereto as Exhibit 99.1.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

- 10.1 [Second Amendment to Term Loan Credit Agreement dated as of September 18, 2018, by and among Gordon Brothers Finance Company, as administrative agent, Gordon Brothers Finance Company LLC, as lender, Stein Mart, Inc., Stein Mart Buying Corp. and Stein Mart Holding Corp.](#)
- 10.2 [Amendment No. 3 to Second Amended and Restated Credit Agreement, dated as of September 18, 2018, by and among Wells Fargo Bank, National Association, as administrative agent, the lenders party thereto, Stein Mart, Inc., Stein Mart Buying Corp. and Stein Mart Holding Corp.](#)
- 10.3 [Amendment No. 1 to Intercreditor Agreement, dated September 18, 2018, by and among Wells Fargo Bank, National Association and Gordon Brothers Finance Company.](#)
- 99.1 [Press Release of Stein Mart, Inc., dated September 18, 2018.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STEIN MART, INC.
(Registrant)

Date: September 19, 2018

By: /s/ Gregory W. Kleffner
Gregory W. Kleffner
Executive Vice President and Chief Financial Officer

SECOND AMENDMENT TO TERM LOAN CREDIT AGREEMENT

This SECOND AMENDMENT TO TERM LOAN CREDIT AGREEMENT, dated as of September 18, 2018 (this “Amendment” or sometimes referred to herein as the “Second Amendment”), is entered into by and among GORDON BROTHERS FINANCE COMPANY, in its capacity as the administrative agent (in such capacity, together with its successors and assigns, “Administrative Agent”) pursuant to the Credit Agreement (as defined below) for the Lenders (as defined below), the parties to the Credit Agreement as lenders (individually, each a “Lender” and collectively, “Lenders”) party hereto, Stein Mart, Inc., a Florida corporation (“Stein Mart” or the “Lead Borrower”), and Stein Mart Buying Corp., a Florida corporation (“Buying Corp.”, and together with Stein Mart, each individually a “Borrower” and collectively, “Borrowers”), and the obligors party thereto as guarantors (each individually a “Guarantor” and collectively, “Guarantors”).

WITNESSETH:

WHEREAS, Administrative Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Lenders (or Administrative Agent on behalf of Lenders) have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Term Loan Credit Agreement, dated as of March 14, 2018, by and among Administrative Agent, Lenders, Borrowers and Guarantors, as amended by the First Amendment to Term Loan Credit Agreement, dated as of May 10, 2018 (as the same now exists and is amended and supplemented pursuant hereto and may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the “Credit Agreement” or the “Existing Credit Agreement”) and the other Loan Documents;

WHEREAS, Lead Borrower has requested that Administrative Agent and Lenders modify certain provisions of the Credit Agreement and Administrative Agent and Required Lenders are willing to agree to such modifications on the terms and subject to the conditions set forth herein;

WHEREAS, by this Amendment, Administrative Agent, Lenders, and Borrowers desire and intend to make certain amendments to the Credit Agreement;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. For purposes of this Amendment, all terms used herein which are not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Credit Agreement as amended by this Amendment.
2. Amendment to Credit Agreement. Upon the occurrence of the Second Amendment Effective Date, the Credit Agreement is hereby amended as follows:
 - (a) Additional Definitions. The following definitions are hereby added to the Credit Agreement:
 - (i) “Accelerated Borrowing Base Weekly Delivery Event” means the occurrence of either of the following events at any time: (a) the occurrence and continuance of any Event of Default, or (b) Revolving Excess Availability is less than fifteen percent (15%) of the Revolving Loan Cap for three (3) consecutive Business Days. For purposes of this Agreement, the

occurrence of an Accelerated Borrowing Base Weekly Delivery Event shall be deemed continuing at the Administrative Agent's option (i) so long as such Event of Default is continuing and has not been waived, and/or (ii) if the Accelerated Borrowing Base Weekly Delivery Event arises as a result of the Borrowers' failure to achieve Revolving Excess Availability as required in clause (b) of this definition, until the Revolving Excess Availability has exceeded fifteen percent (15%) of the Revolving Loan Cap for thirty (30) consecutive calendar days, in which case an Accelerated Borrowing Base Weekly Delivery Event shall no longer be deemed to be continuing for purposes of this Agreement.

(ii) "Second Amendment" means that certain Second Amendment to Term Loan Credit Agreement, dated September 18, 2018, by and among the Administrative Agent, Borrowers, the Lenders, and Guarantors.

(iii) "Second Amendment Effective Date" means the date that all of the conditions set forth in Section 4 of the Second Amendment are satisfied. The Second Amendment Effective Date is September 18, 2018.

(b) Amendments to Definitions.

(i) The definition of "Applicable Margin" as set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting such definition and replacing it with the following:

"Applicable Margin" means a rate per annum equal to 8.25%.

(ii) The definition of "Borrowing Base" as set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting clause (b) of such definition and replacing it with the following:

"(b) twelve and one-half percent (12.5%) (provided that such percentage shall reduce to ten percent (10%) on the earlier of (i) the date that is one (1) year after the Second Amendment Effective Date and (ii) the date on which the Borrowers consummate a Permitted Leasehold Financing pursuant to which the Borrowers receive at least \$5,000,000 in net proceeds) of the Net Recovery Percentage multiplied by the Cost of Eligible Inventory, net of Inventory Reserves;

plus"

(iii) The definition of "Cash Dominion Event" as set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting such definition and replacing it with the following:

"Cash Dominion Event" means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Revolving Excess Availability of at least (A) ten percent (10.0%) of the Revolving Loan Cap at any time or (B) twelve and one-half percent (12.5%) of the Revolving Loan Cap at for three (3) consecutive Business Days. For purposes of this Agreement, the occurrence of a Cash Dominion Event shall be deemed continuing at the Administrative Agent's option (A) so long as such Event of Default and is continuing and has not been waived, and/or (B) if the Cash Dominion Event arises as a result of the Borrowers' failure to achieve Revolving Excess Availability as required hereunder, until Revolving Excess Availability has exceeded twelve and one-half percent (12.5%) of the Revolving Loan Cap for sixty (60)

consecutive Business Days, in which case a Cash Dominion Event shall no longer be deemed to be continuing for purposes of this Agreement; *provided that* a Cash Dominion Event shall be deemed continuing (even if an Event of Default is no longer continuing and/or Revolving Excess Availability exceeds the required amount for sixty (60) consecutive Business Days) at all times after a Cash Dominion Event has occurred and been discontinued on two (2) occasion(s) after the Closing Date. The termination of a Cash Dominion Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Event in the event that the conditions set forth in this definition again arise.

(iv) The definition of “FF&E Advance Rate” as set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting the reference to “October 31, 2018” in such definition and replacing it with “December 31, 2018”.

(v) The definition of “Maturity Date” as set forth in Section 1.01 of the Credit Agreement is hereby amended by deleting such definition and replacing it with the following:

“Maturity Date” means the earlier to occur of (a) September 18, 2023 and (b) the Revolving Maturity Date.

(c) Term Loan Prepayment Fee. The first sentence of Section 2.09(a) is hereby deleted and the following substituted therefor:

“In the event that, at any time prior to the third anniversary of the Second Amendment Effective Date, an acceleration of the Obligations pursuant to Section 8.02 occurs, or in the event that, at any time on or prior to the third anniversary of the Second Amendment Effective Date the Borrowers voluntarily prepay or repay, or are required to prepay or repay following acceleration of the Obligations pursuant to Section 8.02, the Term Loans in whole or in part, then, on the date of such acceleration or the effective date of such prepayment or repayment (or the date the requirement to prepay or repay arises), as applicable, the Borrowers shall pay to the Administrative Agent, for the ratable benefit of the Lenders, the Term Loan Prepayment Fee on the amount of the Term Loans so prepaid or repaid or required to be prepaid or repaid (and to the extent such Term Loan Prepayment Fee is not paid when due, such fee shall be automatically capitalized and added to the principal balance of the Term Loans).”

(d) Delivery of Borrowing Base Certificates. Section 6.02(c) of the Credit Agreement is hereby deleted and the following substituted therefor:

“(c) on the fifteenth (15th) day of each Fiscal Month (or, if such day is not a Business Day, on the next succeeding Business Day), a Borrowing Base Certificate showing the Borrowing Base and the Revolving Borrowing Base as of the close of business as of the last day of the immediately preceding Fiscal Month (as applicable), each Borrowing Base Certificate to be certified as complete and correct by a Responsible Officer of the Lead Borrower; provided that, at any time that an Accelerated Borrowing Base Weekly Delivery Event has occurred and is continuing, at the election of the Administrative Agent, (or, at the election of the Borrowers, in the event an Accelerated Borrowing Base Weekly Delivery Event has not occurred) such Borrowing Base Certificate shall be delivered on Wednesday of each week (or, if Wednesday of any week is not a Business Day, on the next succeeding Business Day) and such weekly delivery shall continue for a minimum of four consecutive weeks, commencing with the first week following the week

during which such Accelerated Borrowing Base Weekly Delivery Event first occurred (or, if delivered at the election of the Borrowers, commencing with the first week following the week during which Lead Borrower notifies Administrative Agent in writing that Borrowers will be delivering a Borrowing Base Certificate on a weekly basis), in each case, as of the close of business on Friday of the immediately preceding week; provided further, that; in the event of any Disposition of, or casualty or condemnation of, any Term Loan Priority Collateral with an aggregate value in excess of \$500,000, the Borrowers shall deliver to the Administrative Agent an updated Borrowing Base Certificate reflecting such Disposition, casualty or condemnation not later than the next Business Day;”

(e) Inspection Rights; Additional Field Examinations and Appraisals, Sections 6.10 (b) and (c) of the Credit Agreement are hereby deleted and the following substituted therefor:

“(b) Upon the request of the Administrative Agent after reasonable prior notice, permit the Administrative Agent or professionals (including investment bankers, consultants, accountants, and lawyers) retained by the Administrative Agent to conduct field examinations and other evaluations, including, without limitation, of (i) the Lead Borrower’s practices in the computation of the Borrowing Base and the Revolving Borrowing Base, (ii) the assets included in the Borrowing Base and the Revolving Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves, and (iii) the Loan Parties’ business plan and cash flows. If Revolving Excess Availability is not less than the amount equal to twenty percent (20%) of the Revolving Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake one (1) field examination during such Fiscal Year at the Loan Parties’ expense; provided, that, if Revolving Excess Availability is less than the amount equal to twenty percent (20%) of the Revolving Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake up to two (2) field examination during such Fiscal Year at the Loan Parties’ expense; provided further, that, the Administrative Agent agrees that the Administrative Agent shall not undertake any such field examinations to the extent that the Revolving Agent shall have conducted such field examinations in accordance with the requirements of the ABL Intercreditor Agreement. Notwithstanding the foregoing, the Administrative Agent may cause additional field examinations to be undertaken (A) as it in its discretion deems necessary or appropriate, at its own expense or, (B) if required by Law or if a Default or Event of Default shall have occurred and be continuing, at the expense of the Loan Parties.

(c) Upon the request of the Administrative Agent after reasonable prior notice, permit the Administrative Agent or professionals (including appraisers) retained by the Administrative Agent to conduct appraisals of the Collateral, including, without limitation, the assets included in the Borrowing Base and the Revolving Borrowing Base. If Revolving Excess Availability is not less than the amount equal to twenty percent (20%) of the Revolving Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake one (1) appraisal during such Fiscal Year at the Loan Parties’ expense; provided, that, if Revolving Excess Availability is less than the amount equal to twenty percent (20%) of the Revolving Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake up to two (2) appraisals

during such Fiscal Year at the Loan Parties' expense; provided further, that, the Administrative Agent agrees that the Administrative Agent shall not undertake any such appraisals to the extent that the Revolving Agent shall have conducted such appraisals in accordance with the requirements of the ABL Intercreditor Agreement. Notwithstanding the foregoing, the Administrative Agent may cause additional appraisals to be undertaken (i) as it in its discretion deems necessary or appropriate, at its own expense or, (ii) if required by Law or if a Default or Event of Default shall have occurred and be continuing, at the expense of the Loan Parties."

3. Representations and Warranties. Borrowers each represent and warrant with and to the Administrative Agent and each Lender on the Second Amendment Effective Date as follows:

(a) After giving effect to this Amendment, no Default or Event of Default exists or has occurred and is continuing as of the date of this Amendment;

(b) this Amendment has been duly authorized, executed and delivered by all necessary action on the part of Borrowers and the other Loan Parties and, if necessary, their respective equity holders and is in full force and effect as of the date hereof, as the case may be, and the agreements and obligations of Borrowers and the other Loan Parties contained herein and therein constitute legal, valid and binding obligations of Borrowers and the other Loan Parties, enforceable against Borrowers and the other Loan Parties in accordance with their terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought;

(c) the execution, delivery and performance of this Amendment (i) are within each Borrower's and Guarantor's corporate or limited liability company powers and (ii) are not in contravention of law or the terms of any Borrower's or Guarantor's certificate or articles of incorporation or formation, operating agreement, by laws, or other organizational documentation, or any indenture, agreement or undertaking to which any Borrower or other Loan Party is a party or by which any Borrower or other Loan Party or its property are bound; and

(d) all of the representations and warranties set forth in the Credit Agreement and the other Loan Documents, each as amended hereby, are true and correct in all material respects on and as of the date hereof, as if made on the date hereof, except to the extent any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date.

4. Conditions Precedent. This Amendment shall become effective as of the date on which each of the following conditions have been satisfied, as determined by Administrative Agent in its sole discretion (the "Second Amendment Effective Date"):

(a) this Amendment shall have been duly executed by each party hereto;

(b) on the date of this Amendment, the principal amount of the Term Loans shall have been repaid in an amount equal to \$15,000,000, together with all accrued but unpaid interest on such principal amount and the Term Loan Prepayment Fee payable in connection therewith (in an amount equal to \$262,500);

(c) an amendment to the Intercreditor Agreement, in form and substance satisfactory to Administrative Agent, shall have been duly executed and delivered by the Revolving Agent and the Loan Parties;

(d) the Administrative Agent shall have received, in form and substance satisfactory to Administrative Agent, such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing (i) the authority of each Loan Party to enter into this Second Amendment and any other Loan Documents to be entered into in connection therewith and (ii) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Second Amendment and related Loan Documents, together with copies of each Loan Party's Organization Documents certified by a Responsible Officers of each Loan Party as being true and correct and such other documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, and in good standing in its jurisdiction of incorporation or organization, as the case may be;

(e) the Amendment No. 3 to the Second Amended and Restated Revolving Credit Agreement (the "Revolving Amendment") shall have been consummated (or consummated substantially concurrently with the consummation of the facility evidenced by the Credit Agreement) on terms and conditions and pursuant to documentation satisfactory to Administrative Agent;

(f) a certificate signed by a Responsible Officer of the Lead Borrower certifying (1) that the conditions specified in this Section 4 have been satisfied, (2) that there has been no event or circumstance since February 3, 2018, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (3) to the Solvency of the Loan Parties as of the Closing Date after giving effect to the transactions contemplated hereby, (4) either that (x) no consents, licenses or approvals are required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, or (y) that all such consents, licenses and approvals have been obtained and are in full force and effect and (5) attaching, as true, complete and correct, copies of each of the Revolving Amendment and any other material Revolving Loan Document delivered in connection therewith;

(g) the Administrative Agent shall have received a Borrowing Base Certificate dated the Second Amendment Effective Date (after giving effect to the Second Amendment), relating to the fiscal month ended on September 1, 2018, and executed by a Responsible Officer of the Lead Borrower;

(h) the Administrative Agent shall have received (without duplication of the amounts referred to in clause (b), above) (i) all fees required to be paid on the Second Amendment Effective Date under the amended and restated fee letter dated as of the date hereof and (ii) all reasonable out-of-pocket expenses for which invoices have been presented (including reasonable and documented out-of-pocket fees, disbursements and other charges of counsel to the Administrative Agent); and

(i) as of the date of this Amendment and after giving effect thereto, (x) no Default or Event of Default shall exist or have occurred and be continuing and (y) the representations and warranties set forth in Section 3 shall be true and correct.

5. Release.

(a) In consideration of the agreements of Administrative Agent and Lenders contained herein, and the continued making of the loans, advances and other accommodations by Lenders to Borrowers pursuant to the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Loan Party, on behalf of itself and its successors,

assigns, and other legal representatives, hereby, jointly and severally, absolutely, unconditionally and irrevocably releases, remises and forever discharges Administrative Agent and each Lender, and its and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives and their respective successors and assigns (Administrative Agent, Lenders and all such other parties being hereinafter referred to collectively as the “Releasees” and individually as a “Releasee”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a “Claim” and collectively, “Claims”) of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives and their respective successors and assigns may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any nature, cause or thing whatsoever which arises at any time on or prior to the day and date of this Second Amendment, for or on account of, or in relation to, or in any way in connection with the Credit Agreement, as amended and supplemented through the date hereof, and the other Loan Documents.

(b) Each Loan Party acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final and unconditional nature of the release set forth above.

(d) Each Loan Party represents and warrants that each such Person is the sole and lawful owner of all right, title and interest in and to all of the claims released hereby and each such Person has not heretofore voluntarily, by operation of law or otherwise, assigned or transferred or purported to assign or transfer to any person any such claim or any portion thereof.

(e) Nothing contained herein shall constitute an admission of liability with respect to any Claim on the part of any Releasee.

(f) Each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, jointly and severally, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by any Loan Party pursuant to Section 5(a) hereof. If any Loan Party violates the foregoing covenant, Borrowers, jointly and severally agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys’ fees and costs incurred by any Releasee as a result of such violation.

6. Effect of this Second Amendment. Except as expressly set forth herein, no other consents, amendments, changes or modifications to the Loan Documents are intended or implied hereby, and in all other respects the Loan Documents are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and Borrowers and the other Loan Parties shall not be entitled to any other or further consent by virtue of the provisions of this Amendment or with respect to the subject matter of this Amendment. To the extent of conflict between the terms of this Amendment and the other Loan Documents, the terms of this Amendment shall control. The Credit Agreement and this Amendment shall be read and construed as one agreement.

7. Governing Law. The validity, interpretation and enforcement of this Amendment and any dispute arising out of the relationship between the parties hereto whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

8. Binding Effect. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

9. Further Assurances. Borrowers and other Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Administrative Agent to effectuate the provisions and purposes of this Amendment.

10. Entire Agreement. This Amendment and the other Loan Documents represent the entire agreement and understanding concerning the subject matter hereof and thereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof and thereof, whether oral or written.

11. Headings. The headings listed herein are for convenience only and do not constitute matters to be construed in interpreting this Amendment.

12. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall have the same force and effect as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart of this Amendment, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BORROWERS:

STEIN MART, INC.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Chief Financial Officer

STEIN MART BUYING CORP.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Director

GUARANTORS:

STEIN MART HOLDING CORP.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Director

Signature Page – Second Amendment
Term Loan Credit Agreement

AGENT AND LENDERS:

GORDON BROTHERS FINANCE COMPANY, as the
Administrative Agent

By: /s/ David Vega

Name: David Vega

Its Authorized Signatory

GORDON BROTHERS FINANCE COMPANY LLC, as a
Lender

By: /s/ David Vega

Name: David Vega

Its Authorized Signatory

Signature Page – Second Amendment
Term Loan Credit Agreement

AMENDMENT NO. 3 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 3 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 18, 2018 (this "Amendment" or sometimes referred to herein as "Amendment No. 3"), is entered into by and among Wells Fargo Bank, National Association, a national banking association, in its capacity as agent (in such capacity, together with its successors and assigns, "Administrative Agent") pursuant to the Credit Agreement (as defined below) for the Lenders (as defined below), the parties to the Credit Agreement as lenders (individually, each a "Lender" and collectively, "Lenders") party hereto, Stein Mart, Inc., a Florida corporation ("Stein Mart" or the "Lead Borrower"), and Stein Mart Buying Corp., a Florida corporation ("Buying Corp."), and together with Stein Mart, each individually a "Borrower" and collectively, "Borrowers"), and the obligors party thereto as guarantors (each individually a "Guarantor" and collectively, "Guarantors").

WITNESSETH:

WHEREAS, Administrative Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements pursuant to which Lenders (or Administrative Agent on behalf of Lenders) have made and may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Second Amended and Restated Credit Agreement, dated as of February 3, 2015, by and among Administrative Agent, Lenders, Borrowers and Guarantors, as amended by Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of February 19, 2018 and Amendment No. 2 to Second Amended and Restated Credit Agreement, dated as of March 14, 2018 (as the same now exists and is amended and supplemented pursuant hereto and may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced, the "Credit Agreement") and the other Loan Documents;

WHEREAS, Lead Borrower has requested that Administrative Agent and Lenders modify certain provisions of the Credit Agreement and Administrative Agent and Lenders are willing to agree to such modifications on the terms and subject to the conditions set forth herein;

WHEREAS, by this Amendment, Administrative Agent, Lenders and Borrowers desire and intend to make certain amendments to the Credit Agreement;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Additional Definitions. The Credit Agreement and the other Loan Documents shall be deemed and are hereby amended to include, in addition and not in limitation, the following definitions:

(i) "Accelerated Borrowing Base Weekly Delivery Event" means the occurrence of either of the following events at any time: (a) the occurrence and continuance of any Event of Default, or (b) Excess Availability is less than fifteen percent (15%) of the Loan Cap for three (3) consecutive Business Days. For purposes of this Agreement, the occurrence of an Accelerated Borrowing Base Weekly Delivery Event shall be deemed continuing at the Administrative Agent's option (i) so long as such Event of Default is continuing and has not been waived, and/or (ii) if the

Accelerated Borrowing Base Weekly Delivery Event arises as a result of the Borrowers' failure to achieve Excess Availability as required in clause (b) of this definition, until the Excess Availability has exceeded fifteen percent (15%) of the Loan Cap for thirty (30) consecutive calendar days, in which case an Accelerated Borrowing Base Weekly Delivery Event shall no longer be deemed to be continuing for purposes of this Agreement."

(ii) "Amendment No. 3" means Amendment No. 3 to Second Amended and Restated Credit Agreement, dated as of September 18, 2018, by and among the Administrative Agent, Lenders, Borrowers and Guarantors, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(iii) "Amendment No. 3 Effective Date" means the date that all of the conditions set forth in Section [8] below are satisfied.

(iv) "Early Termination Fee" shall have the meaning set forth in the Early Termination Fee Letter.

(v) "Early Termination Fee Letter" means the letter agreement, dated on or about the Amendment No. 3 Effective Date, by and among Administrative Agent and Borrowers, providing for early termination fees.

(b) Amendments to Definitions.

(i) The definition of "Aggregate Commitments" set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the following:

" 'Aggregate Commitments' means the Commitments of all the Lenders. As of (a) the Closing Date, the Aggregate Commitments are \$250,000,000 and (b) the Amendment No. 3 Effective Date, the Aggregate Commitments are \$240,000,000."

(ii) The definition of "Aggregate Tranche A Revolving Loan Commitments" set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the following:

" 'Aggregate Tranche A Revolving Loan Commitments' means the Tranche A Loan Revolving Commitments of all the Tranche A Revolving Loan Lenders. As of (a) the Closing Date, the Aggregate Tranche A Revolving Loan Commitments are \$225,000,000 and (b) the Amendment No. 3 Effective Date, the Aggregate Tranche A Revolving Loan Commitments are \$240,000,000."

(iii) The definition of "Bank Product Obligations" set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the following:

" 'Bank Product Obligations' means any obligation on account of (a) any Cash Management Services furnished to any of the Loan Parties or any of their Subsidiaries and/or (b) any transaction with the Administrative Agent or any of its Affiliates, which arises out of any Bank Product entered into with any Loan Party and any such Person, as each may be amended from time to time."

the following: (iv) The definition of “Cash Dominion Event” set forth in the Credit Agreement is hereby deleted in its entirety and replaced with

“ ‘Cash Dominion Event’ means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Excess Availability of at least (A) ten percent (10%) of the Loan Cap at any time, or (B) twelve and one-half percent (12.5%) of the Loan Cap for three (3) consecutive Business Days. For purposes of this Agreement, the occurrence of a Cash Dominion Event shall be deemed continuing at the Administrative Agent’s option (A) so long as such Event of Default and is continuing and has not been waived, and/or (B) if the Cash Dominion Event arises as a result of the Borrowers’ failure to achieve Excess Availability as required hereunder, until Excess Availability has exceeded twelve and one-half percent (12.5%) of the Loan Cap for sixty (60) consecutive Business Days, in which case a Cash Dominion Event shall no longer be deemed to be continuing for purposes of this Agreement; *provided that* a Cash Dominion Event shall be deemed continuing (even if an Event of Default is no longer continuing and/or Excess Availability exceeds the required amount for sixty (60) consecutive Business Days) at all times after a Cash Dominion Event has occurred and been discontinued on two (2) occasion(s) after the Closing Date. The termination of a Cash Dominion Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Event in the event that the conditions set forth in this definition again arise.”

(v) The definition of “Factored Receivables” set forth in the Credit Agreement is hereby deleted in its entirety.

following: (vi) The definition of “Maturity Date” set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the

“ ‘Maturity Date’ means the earlier to occur of (a) September 18, 2023 and (b) the maturity date of the Term Loan Agreement.”

(vii) The definition of “Permitted Disposition” set forth in the Credit Agreement is hereby amended by deleting clause (k) thereof in its entirety and replacing it with the following:

“(k) Reserved; and”

(viii) The definition of “Tranche A Borrowing Base” set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“ ‘Tranche A Borrowing Base’ means, at any time of calculation, an amount equal to:

(a) ninety percent (90%) multiplied by the Eligible Credit Card Receivables;

plus

(b) ninety-five percent (95%) of the Net Recovery Percentage multiplied by the Cost of Eligible Inventory, net of Inventory Reserves;

minus

(c) the then amount of all Availability Reserves (without duplication of the then amount of any Inventory Reserves).”

(ix) The definition of “Tranche A Revolving Loan Limit” set forth in the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“ ‘Tranche A Revolving Loan Limit’ means the lesser of (a) \$240,000,000 (subject to adjustment as provided in Sections 2.06 of the Agreement) and (b) the Tranche A Borrowing Base.”

(c) Interpretation. For purposes of this Amendment, all terms used herein which are not otherwise defined herein, including but not limited to, those terms used in the recitals hereto, shall have the respective meanings assigned thereto in the Credit Agreement.

2. Schedule 2.01 to Credit Agreement. The existing Schedule 2.01 to Credit Agreement (Commitments and Applicable Percentages) is hereby deleted in its entirety and replaced with the new Schedule 2.01 that is attached as Exhibit A to this Amendment No. 3.

3. Early Termination Fee. Section 2.06(a) of the Credit Agreement is hereby amended by adding the following at the end thereof:

“Notwithstanding anything to the contrary contained in this Agreement, if for any reason this Agreement is terminated on or prior to the second anniversary of the Amendment No. 3 Effective Date, in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of the Administrative Agent’s and Lenders’ lost profits as a result thereof, Borrowers agree to pay to Administrative Agent and Lenders, upon the effective date of such termination, the Early Termination Fee. The Early Termination Fee shall be presumed to be the amount of damages sustained by Administrative Agent and Lenders as a result of such early termination and Borrowers agree that it is reasonable under the circumstances currently existing (including, but not limited to, the borrowings that are reasonably expected by Borrowers hereunder and the interest, fees and other charges that are reasonably expected to be received by Administrative Agent and Lenders hereunder) and is the product of an arm’s length transaction between sophisticated business people, ably represented by counsel. In addition, Administrative Agent and Lenders shall be entitled to the Early Termination Fee (a) upon any acceleration (whether automatic or otherwise) of the Obligations upon the occurrence of any Event of Default (including, but not limited to, any Event of Default described in Section 8.01(f) hereof), whether or not any such Event of Default is caused intentionally by a Loan Party and (b) upon the occurrence of any Event of Default described in Section 8.01(f) hereof even if Administrative Agent and Lenders do not exercise their right to terminate this Agreement, but elect, at their option, to provide financing to Borrowers or permit the use of cash collateral under the United States Bankruptcy Code. THE BORROWERS EXPRESSLY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE EARLY TERMINATION FEE IN CONNECTION WITH ANY

ACCELERATION OF THE OBLIGATIONS. The Borrowers expressly agree that (a) the Early Termination Fee shall be payable notwithstanding the then prevailing market rates at the time payment is made, (b) there has been a course of conduct between the Lenders and the Borrowers giving specific consideration in this transaction for such agreement to pay the Early Termination Fee, (c) the Borrowers shall be estopped hereafter from claiming differently than as agreed to in this Section 2.06(a), and (d) their agreement to pay the Early Termination Fee is a material inducement to the Lenders to make Revolving Loans. The Early Termination Fee provided for in this Section 2.06(a) shall be deemed included in the Obligations.”

4. Delivery of Borrowing Base Certificates. Section 6.02(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(c) on the fifteenth (15th) day of each Fiscal Month (or, if such day is not a Business Day, on the next succeeding Business Day), a certificate in the form of Exhibit F (a “Borrowing Base Certificate”) showing the Borrowing Base as of the close of business as of the last day of the immediately preceding Fiscal Month (as applicable), each Borrowing Base Certificate to be certified as complete and correct by a Responsible Officer of the Lead Borrower; provided that, at any time that an Accelerated Borrowing Base Weekly Delivery Event has occurred and is continuing, at the election of the Administrative Agent, (or, at the election of the Borrowers, in the event an Accelerated Borrowing Base Weekly Delivery Event has not occurred) such Borrowing Base Certificate shall be delivered on Wednesday of each week (or, if Wednesday of any week is not a Business Day, on the next succeeding Business Day) and such weekly delivery shall continue for a minimum of four consecutive weeks, commencing with the first week following the week during which such Accelerated Borrowing Base Weekly Delivery Event first occurred (or, if delivered at the election of the Borrowers, commencing with the first week following the week during which Lead Borrower notifies Administrative Agent in writing that Borrowers will be delivering a Borrowing Base Certificate on a weekly basis), in each case, as of the close of business on Friday of the immediately preceding week. Borrowers shall deliver to Administrative Agent, promptly after delivery to Term Loan Agent, a copy of each Borrowing Base Certificate (as defined in the Term Loan Agreement) delivered by Borrowers to Term Loan Agent pursuant to the Term Loan Agreement;”

5. Inspection Rights: Additional Field Examinations and Appraisals. Sections 6.10 (b) and (c) of the Credit Agreement are each hereby deleted in its entirety and replaced with the following:

“(b) Upon the request of the Administrative Agent after reasonable prior notice, permit the Administrative Agent or professionals (including investment bankers, consultants, accountants, and lawyers) retained by the Administrative Agent to conduct field examinations and other evaluations, including, without limitation, of (i) the Lead Borrower’s practices in the computation of the Borrowing Base, (ii) the assets included in the Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves, and (iii) the Loan Parties’ business plan and cash flows. If Excess Availability is not less than the amount equal to twenty percent (20%) of the Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake one (1) field examination during such Fiscal Year at the Loan Parties’ expense; provided that, if Excess Availability is less than the amount equal to twenty percent (20%) of the Loan Cap for four (4) consecutive Business Days at any time

during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake up to two (2) field examination during such Fiscal Year at the Loan Parties' expense. Notwithstanding the foregoing, the Administrative Agent may cause additional field examinations to be undertaken (A) as it in its discretion deems necessary or appropriate, at its own expense or, (B) if required by Law or if a Default or Event of Default shall have occurred and be continuing, at the expense of the Loan Parties.

(c) Upon the request of the Administrative Agent after reasonable prior notice, permit the Administrative Agent or professionals (including appraisers) retained by the Administrative Agent to conduct appraisals of the Collateral, including, without limitation, the assets included in the Borrowing Base. If Excess Availability is not less than the amount equal to twenty percent (20%) of the Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake one (1) appraisal during such Fiscal Year at the Loan Parties' expense; provided, that, if Excess Availability is less than the amount equal to twenty percent (20%) of the Loan Cap for four (4) consecutive Business Days at any time during any Fiscal Year, then the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake up to two (2) appraisals during such Fiscal Year at the Loan Parties' expense. Notwithstanding the foregoing, the Administrative Agent may cause additional appraisals to be undertaken (i) as it in its discretion deems necessary or appropriate, at its own expense or, (ii) if required by Law or if a Default or Event of Default shall have occurred and be continuing, at the expense of the Loan Parties."

6. Application of Funds. Section 8.03 of the Credit Agreement is hereby amended by deleting clause "twelfth" thereof in its entirety and replacing it with the following:

"twelfth, to payment of all other Obligations arising from Bank Products to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause twelfth held by them; and"

7. Representations and Warranties. Borrowers each represent and warrant with and to the Administrative Agent and each Lender on the Amendment No. 3 Effective Date as follows:

(a) After giving effect to this Amendment, no Default or Event of Default exists or has occurred and is continuing as of the date of this Amendment;

(b) this Amendment has been duly authorized, executed and delivered by all necessary action on the part of Borrowers and the other Loan Parties and, if necessary, their respective equity holders and is in full force and effect as of the date hereof, as the case may be, and the agreements and obligations of Borrowers and the other Loan Parties contained herein and therein constitute legal, valid and binding obligations of Borrowers and the other Loan Parties, enforceable against Borrowers and the other Loan Parties in accordance with their terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought;

(c) the execution, delivery and performance of this Amendment (i) are within each Borrower's and Guarantor's corporate or limited liability company powers and (ii) are not in

contravention of law or the terms of any Borrower's or Guarantor's certificate or articles of incorporation or formation, operating agreement, by laws, or other organizational documentation, or any indenture, agreement or undertaking to which any Borrower or other Loan Party is a party or by which any Borrower or other Loan Party or its property are bound; and

(d) all of the representations and warranties set forth in the Credit Agreement and the other Loan Documents, each as amended hereby, are true and correct in all material respects on and as of the date hereof, as if made on the date hereof, except to the extent any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date.

8. Amendment No. 3 Effective Date. This Amendment shall become effective as of the date on which each of the following conditions has been satisfied, as determined by Administrative Agent in its sole discretion:

(a) this Amendment shall have been duly executed by each party hereto; and

(b) Administrative Agent shall have received, in form and substance satisfactory to it, an executed copy of Amendment No. 1 to Intercreditor Agreement, duly authorized, executed and delivered by Term Loan Agent, Term Loan Lenders, Borrowers and Guarantors;

(c) Administrative Agent shall have received, in form and substance satisfactory to it, an executed copy of the Second Amendment to Term Loan Credit Agreement, duly authorized, executed and delivered by Term Loan Agent, Term Loan Lenders, Borrowers and Guarantors;

(d) Administrative Agent shall have received, in form and substance satisfactory to it, an executed copy of the Early Termination Fee Letter, duly authorized, executed and delivered by Borrowers; and

(e) as of the date of this Amendment and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing.

9. Release.

(a) In consideration of the agreements of Administrative Agent and Lenders contained herein, and the continued making of the loans, advances and other accommodations by Lenders to Borrowers pursuant to the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby, jointly and severally, absolutely, unconditionally and irrevocably releases, remises and forever discharges Administrative Agent, LC Issuer and each Lender, and its and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives and their respective successors and assigns (Administrative Agent, LC Issuer, Lenders and all such other parties being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives and their respective successors and assigns may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any nature, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment No. 3, for or on account of, or in relation to, or in any way in connection with the Credit Agreement, as amended and supplemented through the date hereof, and the other Loan Documents.

(b) Each Loan Party acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final and unconditional nature of the release set forth above.

(d) Each Loan Party represents and warrants that each such Person is the sole and lawful owner of all right, title and interest in and to all of the claims released hereby and each such Person has not heretofore voluntarily, by operation of law or otherwise, assigned or transferred or purported to assign or transfer to any person any such claim or any portion thereof.

(e) Nothing contained herein shall constitute an admission of liability with respect to any Claim on the part of any Releasee.

(f) Each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, jointly and severally, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by any Loan Party pursuant to Section 5(a) hereof. If any Loan Party violates the foregoing covenant, Borrowers, jointly and severally agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

10. Effect of this Amendment No. 3. Except as expressly set forth herein, no other consents, amendments, changes or modifications to the Loan Documents are intended or implied hereby, and in all other respects the Loan Documents are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof and Borrowers and the other Loan Parties shall not be entitled to any other or further consent by virtue of the provisions of this Amendment or with respect to the subject matter of this Amendment. To the extent of conflict between the terms of this Amendment and the other Loan Documents, the terms of this Amendment shall control. The Credit Agreement and this Amendment shall be read and construed as one agreement.

11. Governing Law. The validity, interpretation and enforcement of this Amendment and any dispute arising out of the relationship between the parties hereto whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

12. Binding Effect. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

13. Further Assurances. Borrowers and other Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Administrative Agent to effectuate the provisions and purposes of this Amendment.

14. Entire Agreement. This Amendment and the other Loan Documents represent the entire agreement and understanding concerning the subject matter hereof and thereof among the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof and thereof, whether oral or written.

15. Headings. The headings listed herein are for convenience only and do not constitute matters to be construed in interpreting this Amendment.

16. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall have the same force and effect as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart of this Amendment, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BORROWERS:

STEIN MART, INC.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Chief Financial Officer

STEIN MART BUYING CORP.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Director

GUARANTORS:

STEIN MART HOLDING CORP.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Director

AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Administrative Agent

By: /s/ Danielle Baldinelli

Name: Danielle Baldinelli

Its Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender, LC Issuer and Swing Line Lender

By: /s/ Danielle Baldinelli

Name: Danielle Baldinelli

Its Authorized Signatory

Signature Page – Amendment No. 3
Second Amended & Restated Credit
Agreement

Exhibit A to
Amendment No. 3 to Second Amended and Restated Credit Agreement

See attached

Signature Page – Amendment No. 3
Second Amended & Restated Credit
Agreement

SCHEDULE 2.01

COMMITMENTS AND APPLICABLE PERCENTAGES

<u>Lender</u>	<u>Tranche A Revolving Loan Commitment</u>	<u>Applicable Percentage</u>
Wells Fargo Bank, National Association	\$ 240,000,000	100%
Total	\$ 240,000,000	100%

Signature Page – Amendment No. 3
Second Amended & Restated Credit
Agreement

AMENDMENT NO. 1 TO INTERCREDITOR AGREEMENT

THIS AMENDMENT NO. 1 TO INTERCREDITOR AGREEMENT, dated as of September 18, 2018, is by and among WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as ABL Agent pursuant to the ABL Credit Agreement acting for and on behalf of the ABL Credit Parties and GORDON BROTHERS FINANCE COMPANY, in its capacity as Term Agent pursuant to the Term Loan Agreement acting for and on behalf of the Term Credit Parties.

WITNESSETH:

WHEREAS, ABL Agent and Term Agent have previously entered into the Intercreditor Agreement, dated as of March 14, 2018 (as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Intercreditor Agreement"), by and among ABL Agent and Term Agent, as acknowledged by the Loan Parties; and

WHEREAS, the parties hereto wish to make certain amendments to the Intercreditor Agreement, and by this Amendment the parties desire and intend to evidence such amendments;

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions.

(a) Additional Definition. The Intercreditor Agreement is hereby amended to add the following definition: "Amendment No. 1" shall mean Amendment No. 1 to Intercreditor Agreement, dated as of September 18, 2018, by and between ABL Agent and Term Agent, as acknowledged by Loan Parties.

(b) Amendment to Definitions.

(i) The definition of "Maximum ABL Facility Amount" set forth in the Intercreditor Agreement is hereby amended by deleting the reference to "\$236,250,000" contained in clause (i)(A) thereof and replacing it with "\$252,000,000".

(ii) The definition of "Maximum Term Loan Facility Amount" set forth in the Intercreditor Agreement is hereby deleted in its entirety and replaced with the following:

"**Maximum Term Loan Facility Amount**" shall mean the sum of (a) principal amount of \$35,000,000 minus the amount of any principal repayment of the Term Obligations made after the date of Amendment No. 1, plus (b) protective advances which the Term Agent in its reasonable business judgment

determines to be necessary or desirable to, directly or indirectly, protect or preserve the value of the Term Priority Collateral, including for the payment of insurance premiums and real estate taxes, up to an aggregate amount with respect to all of the foregoing under this clause (b) not to exceed \$2,500,000, plus (c) any interest, fees, and expenses paid in kind and added to the principal balance of the Term Loan.”

(c) Interpretation. For purposes of this Amendment, unless otherwise defined herein, all capitalized terms used herein shall have the meaning given to them in the Intercreditor Agreement.

2. Consent to Amendments. Term Agent hereby consents to ABL Agent and the Loan Parties entering into Amendment No. 3 to Second Amended and Restated Credit Agreement, dated as of the date hereof. ABL Agent hereby consents to Term Agent and the Loan Parties entering into Amendment No. [1] to Term Loan Agreement, dated as of the date hereof.

3. Effect of this Amendment. Except as modified pursuant hereto, no other changes, consents or modifications to the Intercreditor Agreement are intended or implied, and in all other respects, the Intercreditor Agreement is hereby specifically ratified, restated and confirmed by the parties hereto as of the effective date hereof. To the extent of conflict between the terms of this Amendment and the Intercreditor Agreement, the terms of this Amendment shall control. The Intercreditor Agreement and this Amendment shall be read as one agreement.

4. Governing Law. The rights and obligations hereunder of each of the parties hereto shall be governed by and interpreted and determined in accordance with the laws of the State of New York, without regard to any principles of conflicts of laws or other rule of law that would result in the application of the law of any jurisdiction other than the State of New York.

5. Binding Effect. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

6. Counterparts. This Amendment may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart thereof signed by each of the parties thereto. Delivery of an executed counterpart of this Amendment by telefacsimile or other method of electronic transmission (including in pdf or tif format) shall have the same force and effect as delivery of an original executed counterpart of this Amendment.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to Intercreditor Agreement to be duly executed as of the day and year first above written.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
in its capacity as the ABL Agent

By: /s/ Danielle Baldinelli

Name: Danielle Baldinelli

Title: Managing Director

GORDON BROTHERS FINANCE COMPANY,
in its capacity as the Term Agent

By: /s/ David Vega

Name: David Vega

Title: Managing Director

[Signature Page to Amendment No. 1 to Intercreditor Agreement]

ACKNOWLEDGMENT

Each of the undersigned hereby acknowledges and agrees to the terms and provisions of the foregoing Amendment No. 1 to Intercreditor Agreement, and confirms and restates the terms of the Acknowledgment to the Intercreditor Agreement made by each of the undersigned.

STEIN MART, INC.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Chief Financial Officer

STEIN MART BUYING CORP.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Director

GUARANTORS:

STEIN MART HOLDING CORP.

By: /s/ Gregory W. Kleffner

Name: Gregory W. Kleffner

Title: Director

[Signature Page to Amendment No. 1 to Intercreditor]



September 18, 2018

FOR IMMEDIATE RELEASE

For more information:
Linda L. Tasseff
Director, Investor Relations
(904) 858-2639
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Stein Mart, Inc. Announces Five-Year Extended and Amended \$275 Million Credit Agreements

JACKSONVILLE, Fla. – Stein Mart, Inc. (NASDAQ: SMRT) (the “Company”) announced today that it has extended and amended its existing revolving credit agreement with Wells Fargo Bank (Wells Fargo) and its term loan agreement with Gordon Brothers Finance Company (GBF). These agreements are coordinated through an intercreditor agreement and provide for combined borrowing availability of \$275 million.

Key features of the amended agreements include:

- Extending the terms to September 18, 2023 from the previous maturities of February 3, 2020;
- Removing cash dominion with it applying in the future only if excess availability is less than 12.5% of the Loan Cap;
- Increasing the Wells Fargo revolving borrowing limit to \$240 million from the previous \$225 million with an increase in the inventory advance rate;
- Decreasing the GBF term loan amount from \$50 million to \$35 million and lowering the borrowing rate by 25 basis points; and
- Administrative improvements that will enhance liquidity.

The impact of the new agreements will decrease annual borrowing costs by approximately \$1 million and will result in all loan amounts outstanding being classified as long-term obligations. Borrowings under the amended agreements remain available for working capital and general corporate purposes, as well as to support the Company’s letter of credit requirements.

“Our improving results reflect the progress we are making with our strategic initiatives and provided us the opportunity to make positive changes to our credit agreements. We appreciate the support of our lending partners, Wells Fargo and GBF, and their collaboration to successfully complete these amendments,” said Greg Kleffner, Chief Financial Officer. “The changes announced today provide additional flexibility which will aid liquidity and is another step in a positive direction for Stein Mart.”

About Stein Mart

Stein Mart, Inc. is a national specialty off-price retailer offering designer and name-brand fashion apparel, home décor, accessories and shoes at everyday discount prices. Stein Mart provides real value that customers will love every day both in stores and online. The Company currently operates 289 stores across 30 states. For more information, please visit www.steinmart.com.

Cautionary Statement Regarding Forward-Looking Statements

Except for historical information contained herein, the statements in this release may be forward-looking and

are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company does not assume any obligation to update or revise any forward-looking statements even if experience or future changes make it clear that projected results expressed or implied will not be realized. Forward-looking statements involve known and unknown risks and uncertainties that may cause Stein Mart's actual results in future periods to differ materially from forecasted or expected results. Those risks include, without limitation: dependence on our ability to purchase merchandise at competitive terms through relationships with our vendors and their factors, consumer sensitivity to economic conditions, competition in the retail industry, changes in fashion trends and consumer preferences, ability to implement our strategic plans to sustain profitable growth, effectiveness of advertising and marketing, capital availability and debt levels, dividend impact on stock price, ability to negotiate acceptable lease terms with current and potential landlords, ability to successfully implement strategies to exit under-performing stores, extreme and/or unseasonable weather conditions, adequate sources of merchandise at acceptable prices, dependence on certain key personnel and ability to attract and retain qualified employees, impacts of seasonality, increases in the cost of compensation and employee benefits, disruption of the Company's distribution process, dependence on imported merchandise, information technology failures, data security breaches, single supplier for shoe department, single provider for ecommerce website, acts of terrorism, ability to adapt to new regulatory compliance and disclosure obligations, material weaknesses in internal control over financial reporting and other risks and uncertainties described in the Company's filings with the SEC.