

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-11986

TANGER FACTORY OUTLET CENTERS, INC.
(Exact name of Registrant as specified in its charter)

NORTH CAROLINA
(State or other jurisdiction of
incorporation or organization)

1400 WEST NORTHWOOD STREET
GREENSBORO, NC 27408
(Address of principal executive offices)

56-1815473
(I.R.S. Employer
Identification No.)

(910) 274-1666
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common stock, \$.01 par value	New York Stock Exchange
Series A Cumulative Convertible Redeemable Preferred Stock, \$.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

The aggregate market value of voting shares held by nonaffiliates of the Registrant was approximately \$134,644,000 based on the closing price on the New York Stock Exchange for such stock on February 28, 1997.

The number of shares of the Registrant's common stock outstanding as of February 28, 1997 was 6,715,855.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Shareholders to be held May 9, 1997.

PART I

ITEM 1. BUSINESS

THE COMPANY

Tanger Factory Outlet Centers, Inc. (the "Company"), a fully-integrated, self-administered and self-managed real estate investment trust ("REIT"), focuses exclusively on developing, owning and operating factory outlet centers, and provides all development, leasing and management services for its centers. According to Value Retail News, an industry publication, the Company believes that it is one of the largest owners and operators of factory outlet centers in the United States. As of December 31, 1996, the Company owned and operated 27 factory outlet centers (the "Properties") with a total gross leasable area ("GLA") of approximately 3.8 million square feet. These centers are approximately 99% leased, contain over 900 stores and represent over 220 brand name companies as of such date.

The Properties are presently held by, and all of the Company's operations are conducted by, the Company's majority-owned subsidiary, Tanger Properties Limited Partnership (the "Operating Partnership"). Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership.

The Company is the sole managing general partner of the Operating Partnership and The Tanger Family Limited Partnership is the sole limited partner. As of December 31, 1996, the ownership interests in the Operating Partnership (the "Units") consisted of 6,602,510 general partnership Units and 106,419 general preferred partnership Units (which are convertible into approximately 958,835 general partnership Units) held by the Company and 3,033,305 limited partnership Units held by the Tanger Family Limited Partnership. The Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, into shares of Common Stock. See "Business-The Operating Partnership". Management of the Company beneficially owns approximately 33% of all outstanding Common Stock and partnership interests exchangeable for Common Stock (without giving effect to the exercise of any outstanding stock and Unit options).

The Company operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") and therefore will not be subject to federal income tax. Direct or constructive ownership of more than 29,400 shares of the Series A Preferred Stock (or a lesser amount in certain cases), whether owned directly or through ownership of Depositary Shares (each representing 1/10 of a share of the Series A Preferred Stock), or more than 4% of the Common Stock (including as a result of the conversion of Series A Preferred Stock) is restricted to preserve the Company's status as a REIT. To maintain its qualification as a REIT for federal income tax purposes, the Company is required, among other things, to make distributions (including distributions on preferred stock) equal to at least 95% of its taxable income each year.

The Company's executive offices are located at 1400 West Northwood Street, Greensboro, North Carolina, 27408, its telephone number is (910) 274-1666 and its web site is located at www.tangeroutlet.com. The Company is a North Carolina corporation that was formed in March 1993.

RECENT DEVELOPMENTS

During 1996, the Company completed six expansions totalling 181,142 square feet. Construction has also commenced on the initial phase of a new center in Riverhead, New York totalling approximately 240,000 square feet. Approximately 93% of this additional GLA is leased or committed to be leased and is expected to be opened by late Spring of 1997. In addition, the Company is in the preleasing stages of three new sites located in Concord, NC (Charlotte), Romulus, MI (Detroit) and Ashburn, VA (Washington, D.C.).

Subsequent to year end, on February 28, 1997, the Company completed the purchase of an existing factory outlet center in Sevierville, Tennessee containing approximately 123,000 square feet (the "Sevierville Property") for an aggregate purchase price of \$18.0 million. Information in Item 1 and Item 2 herein provided as of February 28, 1997 does not include information with respect to the Sevierville Property.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 1998 and beyond and will consider other acquisitions that are suitable for its portfolio. However, there can be no assurance that any of these anticipated or planned developments or expansions will be started or completed as scheduled, or that any acquisitions will be made.

The Company and the Operating Partnership filed a shelf registration statement in November 1995 with the Securities and Exchange Commission to issue up to \$100 million in equity securities and \$100 million in debt securities. During March 1996, the Company used a portion of its borrowing capacity under the shelf registration to issue, through the Operating Partnership, \$75 million of senior, unsecured notes, maturing March 11, 2001, with a coupon rate of 8.75% (effective yield of 8.926%). The proceeds of this offering were used to extinguish the Company's revolving lines of credit existing prior to January 1996. In April 1996, the Company filed a new registration statement with the SEC to reestablish the total amount of funds available under the shelf registration at \$200 million.

During the year, the Company established a new \$50 million secured line of credit, with interest payable at LIBOR plus 1.5% and established other unsecured lines of credit totalling \$40 million with interest rates ranging from prime less .25% to prime or LIBOR plus 1.75% to LIBOR plus 1.85%. Amounts available under these lines of credit, based on debt outstanding at December 31, 1996, totalled \$62.2 million. When considered with the Company's existing interest rate protection agreement covering \$10 million of variable rate debt, the Company's exposure to interest rate risk on variable rate borrowings outstanding at December 31, 1996 was limited to \$17.8 million. Also, with the addition of the unsecured borrowings, the Company has effectively unencumbered approximately 55% of its gross real estate assets.

See "Business-Capital Strategy".

THE FACTORY OUTLET CONCEPT

Factory outlets are manufacturer-operated retail stores that sell primarily first quality, branded goods at significant discounts from regular retail prices charged by department stores and specialty stores. Factory outlet centers offer numerous advantages to both consumers and manufacturers. Manufacturers in a factory outlet store are often able to charge customers lower prices for brand name and designer products by eliminating the third party retailer, and because factory outlet centers typically have low operating costs. Factory outlet centers enable manufacturers to optimize the size of production runs while continuing to maintain control of their distribution channels. In addition, factory outlet centers benefit manufacturers by permitting them to sell out-of-season, overstocked or discontinued merchandise without alienating department stores or hampering the manufacturer's brand name, as is often the case when merchandise is distributed via discount chains.

The Company's factory outlet centers are typically located near interstate highways and at least 20 miles from downtown areas, where major department stores and manufacturer-owned full price retail stores are usually located. Manufacturers prefer these locations so that they do not compete directly with their major customers and their own stores. Factory outlet centers are located near tourist destinations to attract tourists who consider shopping to be a recreational activity. Close proximity to interstate highways provides accessibility and visibility to potential customers.

Management believes that factory outlet centers continue to present attractive opportunities for capital investment by the Company, particularly with respect to strategic expansions of existing centers. Because of the moderate land and construction costs and the availability of local government incentives provided by communities seeking economic growth, factory outlet centers can be developed or expanded relatively inexpensively. Management believes that under present conditions such development costs, coupled with current market lease rates, permit attractive investment returns. Management further believes, based upon its contacts with present and prospective tenants, that many companies, including new entrants into the factory outlet business, desire to open a number of new factory outlet stores in the next several years, particularly where there are successful factory outlet centers in which such companies do not have a significant presence or where there are few factory outlet centers. Thus, the Company believes that its commitment to developing and expanding factory outlet centers is justified by the potential financial returns on such centers.

THE COMPANY'S FACTORY OUTLET CENTERS

The Company's factory outlet centers are designed to attract national brand name tenants. As one of the original participants in this industry, the Company has developed long-standing relationships with many national and regional manufacturers. Because of its established relationships with many manufacturers, the Company believes it is well positioned to capitalize on industry growth.

The Company's factory outlet centers range in size from 8,000 to 286,195 square feet of GLA and are typically located a significant distance from downtown areas and major department stores. All of the centers are located near a tourist destination and/or an interstate highway, providing accessibility and visibility to prospective customers.

As of December 31, 1996, the Company had a diverse tenant base comprised of over 220 different well-known, upscale, national designer or brand name companies. Most stores are directly operated by the respective manufacturer. Unlike some other outlet center developers, the Company has for the most part excluded off-price retailers (retailers that sell merchandise from a number of sources, often second quality, limited stock or non-name brand items) from its centers. The Company believes that this policy helps it attract and maintain a high quality tenant base.

No single tenant (including affiliates) accounted for 10% or more of combined base and percentage rental revenues during 1996. During 1995 and 1994, one tenant (including affiliates) accounted for approximately 10% and 11% of combined base and percentage rental revenues. Because the typical tenant of the Company is a large, national manufacturer, the Company has not experienced any material problems with respect to rent collections or lease defaults.

Minimum base rental revenues and operating expense reimbursements accounted for approximately 96% of the Company's total revenues in 1996. Percentage rental revenues accounted for approximately 3% of 1996 revenues. As a result, only a small portion of the Company's revenues are dependent on contingent revenue sources, such as percentage rents, which fluctuate depending on tenant's sales performance.

BUSINESS HISTORY

Stanley K. Tanger, the Company's Chairman and Chief Executive Officer, entered the factory outlet center business in 1981. Prior to founding the Company, Stanley K. Tanger and his son, Steven B. Tanger, the Company's President and Chief Operating Officer, built and managed a successful family owned apparel

manufacturing business, Tanger/Creighton Inc. ("Tanger/Creighton"), whose business included the operation of five factory outlet stores. Based on their knowledge of the apparel and retail industries, as well as their experience operating Tanger/Creighton's factory outlet stores, the Tangers recognized that there would be a demand for factory outlet centers where a number of manufacturers could operate in a single location and attract a large number of shoppers. Since a single manufacturer was generally not in a position to build a factory outlet center tenanted by other manufacturers and retailers, the Tangers and the Company found a natural market for their experience.

Stanley K. Tanger's initial investments in the factory outlet business were joint ventures with third party investors. Having gained experience in the factory outlet center business and developed the nucleus of a management team with close contacts with leading retailers, the Company's management made the strategic decision that future growth would be through projects owned or controlled by the Company.

Stanley K. Tanger continues to hold a non-controlling interest in three of the original joint ventures that operate factory outlet centers, containing an aggregate 109,080 square feet of GLA, which are currently managed by the Company. Because Mr. Tanger does not hold a controlling interest in these joint ventures, he was unable to contribute their properties in connection with the formation of the Operating Partnership and the Company in 1993. Revenues from managing the joint ventures (which the Company expects to continue to manage) accounted for less than one tenth of one percent of the Company's revenues in 1996. The Company receives an annual management fee of not less than 5% of the fixed rents received from the tenants occupying the properties. The management arrangement is terminable upon notice by either party.

BUSINESS AND OPERATING STRATEGY

The Company intends to increase its cash flow and the value of its portfolio over the long-term by continuing to own, manage, acquire, develop, and expand factory outlet centers. The Company's strategy is to increase revenues through selective acquisitions, new development and expansions of factory outlet centers while minimizing its operating expenses by designing low maintenance properties and achieving economies of scale. In connection with the ownership and management of its properties, the Company places an emphasis on regular maintenance and intends to make periodic renovations as necessary. In addition, the Company will seek to maintain high occupancy rates and increasing rental revenues with a tenant base of nationally recognized brand name tenants.

At December 31, 1996, the Company's centers were 99% leased and have averaged a 99% occupancy level for the last five years. For 1996, the Company has successfully renewed or released 100% of the space that had come up for renewal or had expired during the year. Approximately 90% of such space was renewed by the existing tenant. Lease renewals for the year were at an average base rent per square foot that was approximately 13% above the expiring rate.

The Company typically seeks locations for its new centers that have at least 3.5 million people residing within an hour's drive, an average household income within a 50 mile radius of at least \$35,000 to \$40,000 per year and access to a highway with a traffic count of at least 35,000 cars per day. The Company will vary its minimum conditions based on the particular characteristics of a site, especially if the site is located near or at a vacation destination. The Company's current goal is to target sites that are large enough to construct centers with approximately 75 stores totalling at least 300,000 square feet of GLA. Generally, the Company will build such centers in phases, with the first phase containing approximately at least 200,000 square feet of GLA. The first phase usually is more expensive than the later phases because the Company generally finishes most of the site work, including parking lots, utilities, zoning and other developmental work, in the first phase.

The Company preleases a large part of the space in each center prior to acquiring the site and beginning construction. Historically, the Company has not begun construction until it has obtained a significant amount of signed leases. Typically, construction of a new factory outlet center has taken the Company four to six months from groundbreaking to the opening of the first tenant store. Construction of expansions to existing properties typically takes less time, usually between three to four months.

Currently, construction has commenced on the initial phase of a second center in Riverhead, New York totalling approximately 240,000 square feet. Approximately 93% of this additional GLA is leased or committed to be leased and is expected to be opened by late Spring of 1997. In addition, the Company is in the preleasing stages of three new sites located in Concord, NC (Charlotte), Romulus, MI (Detroit) and Ashburn, VA (Washington, D.C.) and, on February 28, 1997, completed the purchase of an existing factory outlet center containing approximately 123,000 square feet for an aggregate purchase price of \$18.0 million. The Company also is in the process of developing plans for additional expansions and new centers for completion in 1998 and beyond and will consider other acquisitions that are suitable for its portfolio. However, there can be no assurance that any of these anticipated or planned developments or expansions

will be started or completed as scheduled, or that any acquisitions will be made.

CAPITAL STRATEGY

The Company's capital strategy is to maintain a strong and flexible financial position by: (1) maintaining a low level of leverage, (ii) extending and sequencing debt maturity dates, (iii) managing its floating rate exposure, (iv) maintaining its liquidity and (v) reinvesting a significant portion of its cash flow by maintaining a low distribution payout ratio (distributions paid in respect of a year as a percent of funds from operations ("FFO") for such year).

The Company's distribution payout ratio for the year ended December 31, 1996 was 69%, which the Company believes to be one of the lowest payout ratios in the REIT industry. As a result, the Company retained approximately \$10 million of its 1996 FFO. The distribution payout ratio policy allows the Company to retain capital to maintain the quality of its portfolio, as well as to develop and expand properties.

The Company and the Operating Partnership filed a shelf registration statement in November 1995 with the Securities and Exchange Commission to issue up to \$100 million in equity securities and \$100 million in debt securities. During March 1996, the Company used a portion of its borrowing capacity under the shelf registration to issue, through the

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Operating Partnership, \$75 million of senior, unsecured notes, maturing March 11, 2001, with a coupon rate of 8.75% (effective yield of 8.926%). The proceeds of this offering were used to extinguish the Company's revolving lines of credit existing prior to January 1996. In April 1996, the Company filed a new registration statement with the SEC to reestablish the total amount of funds available under the shelf registration at \$200 million.

During the year, the Company established a new \$50 million secured line of credit, with interest payable at LIBOR plus 1.5% and established other unsecured lines of credit totalling \$40 million with interest rates ranging from prime less .25% to prime or LIBOR plus 1.75% to LIBOR plus 1.85%. Amounts available under these lines of credit, based on debt outstanding at December 31, 1996, totalled \$62.2 million. When considered with the Company's existing interest rate protection agreement covering \$10 million of variable rate debt, the Company's exposure to interest rate risk on variable rate borrowings outstanding at December 31, 1996 was limited to \$17.8 million. Also, with the addition of the unsecured borrowings, the Company has effectively unencumbered approximately 55% of its real estate assets.

The Company's ratio of debt to total market capitalization (defined as the value of the Company's outstanding shares, including Preferred shares and Operating Partnership Units both of which are convertible into Common Shares, plus total debt) at December 31, 1996 was approximately 40% (assuming that each type of Unit has the same value as the equivalent shares of the Company, which at February 28, 1997 had a market value of \$24.875 per common share).

The Company intends to retain the ability to raise additional capital, including additional debt, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that it believes to be in the best interests of the Company and its shareholders. The organizational documents of the Company do not impose a limit on the level of debt that the Company may incur.

THE OPERATING PARTNERSHIP

The Properties and other assets of the Company are held by, and all of the Company's operations are conducted by, the Operating Partnership. As of December 31, 1996, the ownership interests in the Operating Partnership consisted of 6,602,510 general partnership Units and 106,419 general preferred partnership Units (which are convertible into approximately 958,835 general partnership Units) held by the Company and 3,033,305 limited partnership Units held by the Tanger Family Limited Partnership. Each Unit of partnership interest in the Operating Partnership issued to the Tanger Family Limited Partnership, in connection with the formation of the Operating Partnership, and to the Company, in respect of the Company's contribution to the Operating Partnership of the proceeds from the public offerings, was designed to result in a distribution per Unit approximately equal to a distribution per share of the Company's Common and Preferred Shares. Each Unit of limited partnership interest is exchangeable into one share of Common Stock (subject to certain antidilution adjustments and certain limitations on exchange to preserve the Company's status as a REIT).

Each Preferred Unit entitles the Company to receive distributions from the Operating Partnership, in an amount equal to the dividend payable with respect to a share of Series A Preferred Shares, prior to the payment by the Operating Partnership of distributions with respect to the general Units. Preferred Units will be automatically converted into general partnership Units to the extent of any conversion of Series A Preferred Shares into Common Stock, and will be redeemed by the Operating Partnership to the extent of any redemption of Series A Preferred Shares.

There are, however, certain differences between the ownership of Common Stock, Series A Preferred Shares and Units, including:

Voting Rights. Holders of Common Stock may elect the Board of Directors of the Company, which, as the general partner of the Operating Partnership, controls the business of the Operating Partnership. Holders of Series A Preferred Shares may not elect directors, except under certain circumstances. Holders of limited partnership Units may not elect directors, or elect or remove the general partner without the consent of the Company. So long as holders of limited partnership Units have at least 10% of the capital of the Operating Partnership, such holders have certain rights to approve a liquidation of the Operating Partnership, a merger of the Operating Partnership or the sale of all or substantially all of its assets.

Transferability. The shares of Common Stock and Series A Preferred Shares (and the Depositary Shares representing such Series A Preferred Shares) will be freely transferable under the Securities Act of 1933, as amended, by holders who are not affiliates of the Company or the Underwriters. The Units are subject to transfer restrictions under applicable securities laws and under the partnership agreement of the Operating Partnership including the required consent of the general partner to the admission of any new limited partner.

The Operating Partnership agreement may not be amended without consent of the general partner and a majority interest of the limited partners, except certain provisions with respect to distributions, conversion rights, and voting rights. Each limited partnership Unit is exchangeable for one share of Common Stock at any time (subject to certain limitations and antidilution adjustments). No limited partner may exchange Units for Common Stock more than once in any six month period. The issuance of additional Units will be at the discretion of the Company as the general partner, subject to certain limitations as to the terms of such issuance contained in the partnership agreement. The limited partners have certain rights to make pro rata capital contributions in the event of the admission of new partners. The Operating Partnership may not issue additional Units that would result in the Company owning less than one-half of the outstanding Units without the consent of the Company as the general partner. The Company may not assign or substitute general partners without the consent of all limited partners.

The Operating Partnership is a North Carolina limited partnership. Its principal executive offices are located at 1400 West Northwood Street, Greensboro, NC 27408, its telephone number is (910) 274-1666.

COMPETITION

The Company's centers compete for customers primarily with factory outlet centers built and operated by different developers, traditional shopping malls and "off-price" retailers. The Company carefully considers the degree of existing and planned competition in a proposed area before deciding to build a new center.

The Company's centers compete, to a limited extent, with various full-and off-price retailers in the highly fragmented retailing industry. However, management believes that the majority of the Company's customers visit factory outlet centers because they are intent on buying first-quality, name-brand goods at discounted prices. Traditional full-and off-price retailers are often unable to provide such a variety of products at attractive prices.

Tenants of factory outlet centers typically avoid direct competition with major retailers and their own stores, and therefore generally insist that the outlet centers be located not less than 20 miles from the nearest major department store or the tenants' own specialty stores. For this reason, the Company's centers compete only to a very limited extent with traditional malls in or near metropolitan areas.

Management believes that the Company competes with as many as four large national developers of factory outlet centers and numerous small developers. Competition with other factory outlet centers for new tenants is generally based on location, quality and mix of the centers' existing tenants, degree and quality of the support services (including marketing) provided by the property manager and rental and other charges. The Company believes that its centers have an attractive tenant mix, as a result of the Company's decision to lease substantially all of its space to manufacturer operated factory outlets rather than to off-price retailers, and also as a result of the strong brand identity of the Company's major tenants.

CORPORATE AND REGIONAL HEADQUARTERS

The Company owns a small office building in Greensboro, North Carolina in which its corporate headquarters is located. In addition, the Company rents a regional office in New York City, New York under a lease agreement and sublease agreement, respectively to better service its principal fashion-related tenants, many of whom are based in and around that area.

The Company maintains on-site managers and offices at 21 Properties, excluding the Sevierville Property, to closely monitor the development of those Properties

from construction through opening and operation and to provide effective and efficient management services. In addition, the Company maintains an off-site business office in Portland Maine to service the New England Properties.

INSURANCE

Management believes that the Properties are covered by adequate fire, flood and property insurance provided by reputable companies and with commercially reasonable deductibles and limits.

EMPLOYEES

As of February 28, 1997, excluding the Sevierville Property which was acquired on such date, the Company had 95 full-time employees, located at the Company's corporate headquarters in North Carolina, its regional office in New York and its 22 business offices.

ITEM 2. BUSINESS AND PROPERTIES

As of February 28, 1997, the Company's portfolio, excluding the Sevierville Property which was acquired on such date, consisted of 27 opened centers located in 22 states. The Company's factory outlet centers range in size from 8,000 to 286,195 square feet of GLA. These factory outlet centers are typically strip shopping centers which enable customers to view all of the shops from the parking lot, and therefore minimizing the time needed to shop. The centers are generally located near tourist destinations or along major interstate highways, to increase visibility and accessibility to potential customers.

The Company believes that the Properties are well diversified geographically and by tenant and that it is not dependent upon any single property or tenant. The only property that represents more than 10% of the Company's consolidated total assets or consolidated gross revenues as of December 31, 1996 is the property in Riverhead, NY. See "Business and Properties - Significant Property". No other property represented more than 10% of the Company's consolidated total assets or consolidated gross revenues as of December 31, 1996.

<TABLE>
<CAPTION>
LOCATION OF PROPERTIES

State	Number of Centers	Gross Leasable Area (GLA)	Percent of GLA
<S>	<C>	<C>	<C>
Georgia	3	619,124	16%
Texas	2	396,580	10
New York	1	286,195	8
Iowa	1	275,706	7
Missouri	1	255,073	7
Louisiana	1	245,325	7
Pennsylvania	1	203,952	6
Oklahoma	1	197,878	5
Arizona	1	186,018	5
Indiana	1	141,051	4
Minnesota	1	134,480	4
Michigan	1	112,120	3
California	1	108,950	3
Oregon	1	97,749	3
Tennessee	1	94,750	2
Kansas	1	88,200	2
Maine	2	84,958	2
Alabama	1	80,730	2
New Hampshire	2	61,915	2
West Virginia	1	49,252	1
Massachusetts	1	23,417	1
Vermont	1	8,000	---
Total	27	3,751,423	100%

</TABLE>

The table set forth below summarizes certain information with respect to the Company's existing centers as of February 28, 1997, excluding the Sevierville Property which was acquired on such date.

<TABLE>
<CAPTION>
PROPERTY PORTFOLIO

GLA	%	MORTGAGE DEBT OUTSTANDING	FEE OR GROUND
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DATE OPENED	LOCATION	(SQ. FEET)	LEASED	(000'S) (5)	LEASE
<S> <C>		<C>	<C>	<C>	
JUN. 1986 Aug. 1993	KITTERY I, ME Expansion	56,312 3,943	100%	\$6,053	Fee
MAR. 1987	CLOVER, NORTH CONWAY, NH	11,000	100%	---	Fee
NOV. 1987 Sep. 1994	MARTINSBURG, WV Expansion	42,346 6,906	100%	---	Fee
APR. 1988	LL BEAN, NORTH CONWAY, NH	50,915	100%	---	Fee
JUL. 1988 Jul. 1994	PIGEON FORGE, TN Expansion	94,480 270	100%	---	Ground Lease (2086) Fee
AUG. 1988 May 1993	BOAZ, AL Expansion	78,550 2,180	96%	1,550	Fee
OCT. 1988	MANCHESTER, VT	8,000	100%	---	Fee
JUN. 1989 Nov. 1993	KITTERY II, ME Expansion	23,119 1,584	100%	---	Fee
JUL. 1989 Mar. 1990 May 1992 May 1993 Sep. 1994	COMMERCE, GA Expansion Expansion Expansion Expansion	100,100 58,650 4,500 12,500 10,000	99%	10,412	Fee
OCT. 1989	BOURNE, MA	23,417	100%	---	Fee
FEB. 1991 Oct. 1992 May 1994	WEST BRANCH, MI Expansion Expansion	75,120 25,000 12,000	100%	6,932	Fee
MAY 1991 Nov. 1991 Nov. 1992 Dec. 1993 Apr. 1996	WILLIAMSBURG, IA Expansion Expansion Expansion Expansion	121,444 50,675 34,000 (1) 43,400 26,187	93%	17,184	Fee
FEB. 1992 Dec. 1992	CASA GRANDE, AZ Expansion	94,223 91,795	99%	---	Fee
AUG. 1992 Nov. 1992 Aug. 1993	STROUD, OK Expansion Expansion	96,378 37,500 64,000	94%	3,875	Fee
DEC. 1992 Aug. 1993	NORTH BRANCH, MN Expansion	106,280 28,200	96%	---	Fee
FEB. 1993 Aug. 1993 Feb. 1996	GONZALES, LA Expansion Expansion	105,985 109,450 29,890	99%	4,650	Fee

DATE OPENED	LOCATION	GLA (SQ. FEET)	% LEASED	MORTGAGE DEBT OUTSTANDING (000'S) (5)	FEE OR GROUND LEASE
MAY 1993 Oct. 1993 Nov. 1994 April 1995 July 1996	SAN MARCOS, TX Expansion Expansion Expansion Expansion	98,820 40,200 17,500 (2) 32,750 29,875 (3)	94%	10,349	Fee
DEC. 1993	LAWRENCE, KS	88,200	93%	---	Fee
DEC. 1993	MCMINNVILLE, OR	97,749	85%	---	Fee
AUG. 1994 Nov. 1996	RIVERHEAD, NY Expansion	285,295 900	100%	---	Ground Lease (2004) (4)
AUG. 1994 Oct. 1995	TERRELL, TX Expansion	126,185 51,250	98%	---	Fee
SEP. 1994	SEYMOUR, IN	141,051	99%	8,299	Fee
ACQUIRED OCT. 1994 Nov. 1995	LANCASTER, PA Expansion	191,152 12,800	99%	15,975	Fee
NOV. 1994 Jun. 1996	BRANSON, MO Expansion	230,073 25,000 (3)	97%	5,425	Fee

NOV. 1994	LOCUST GROVE, GA	168,700	96%	---	Fee
Dec. 1995	Expansion	45,964			
Aug. 96	Expansion	34,190 (3)			
JAN. 1995	BARSTOW, CA	108,950	95%	---	Fee
DEC. 1995	COMMERCE II, GA	148,520	100%	---	Fee
Aug. 1996	Expansion	36,000			
Total		3,751,423 (3)	97%	\$90,704	
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</TABLE>

- (1) GLA EXCLUDES 21,781 SQUARE FOOT LAND LEASE ON OUTPARCEL OCCUPIED BY PIZZA HUT.
- (2) GLA EXCLUDES 17,400 SQUARE FOOT LAND LEASE ON OUTPARCEL OCCUPIED BY WENDY'S.
- (3) GLA INCLUDES SQUARE FEET OF NEW SPACE NOT YET OPEN AT DECEMBER 31, 1996, WHICH IN THE AGGREGATE TOTALLED 12,400 SQUARE FEET.
- (4) THE GROUND LEASE IS SUBJECT TO RENEWAL AT THE OPTION OF THE COMPANY FOR UP TO SEVEN ADDITIONAL TERMS OF FIVE YEARS EACH.
- (5) AS OF DECEMBER 31, 1996. THE WEIGHTED AVERAGE INTEREST RATE FOR DEBT OUTSTANDING AT DECEMBER 31, 1996 WAS 8.67% AND THE WEIGHTED AVERAGE MATURITY DATE WAS MAY 2001.

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Management has an ongoing program for developing new and expanding existing centers. See Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Liquidity and Capital Resources" for a discussion of the cost of such programs and the sources of financing thereof. In the opinion of management, all of the properties are adequately covered by insurance.

Certain of the Company's properties serve as collateral for mortgage notes payable and revolving lines of credit. Of the 27 Properties, the Company owns 25 and has ground leases on two. The land on which the Pigeon Forge center is located is subject to a long-term ground lease expiring in 2086. The land on which the Riverhead center is located is also subject to a ground lease with an initial term expiring in 2004, with renewal at the option of the Company for up to seven additional terms of five years each. The Company in turn leases to tenants under leases that generally range from five to ten years. The rental payments are customarily subject to upward adjustments based upon contractual base

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rent increases during the term of the lease, tenant sales volume and operating expense reimbursements (including real estate taxes, insurance, common area maintenance and advertising and promotion expenses).

Generally, leases provide for the payment of fixed monthly rent in advance. Most leases provide for payment by the tenant of a portion of the real estate taxes, insurance, common area maintenance, advertising and promotion expenses incurred by the factory outlet center. As a result, substantially all operating expenses for the centers are borne by the tenants.

LEASE EXPIRATIONS

The following table sets forth, as of February 28, 1997, scheduled lease expirations, excluding the Sevierville Property which was acquired on such date and assuming none of the tenants exercise renewal options. Most leases are renewable for five year terms at lessee's option.

<TABLE>

<CAPTION>

Year	No. of Leases Expiring (2)	Approx. GLA (sq. ft.)	Average Base Rent per sq. ft.	Annual Base Rent (1)	% of Gross Annual Rental Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
1997	60	232,000	\$11.91	\$2,764,000	5.6%
1998	108	428,000	14.40	6,163,000	12.4
1999	164	604,000	14.48	8,746,000	17.6
2000	147	514,000	14.51	7,457,000	15.0
2001	141	504,000	14.35	7,232,000	14.6
2002	109	422,000	13.49	5,691,000	11.5
2003	50	240,000	13.49	3,238,000	6.5
2004	71	429,000	12.86	5,517,000	11.1
2005	16	103,000	12.06	1,242,000	2.5
2006	3	56,000	10.59	593,000	1.2
Thereafter	13	108,000	9.38	1,013,000	2.0

Total	882	3,640,000	\$13.64	\$49,656,000	100.0%
-------	-----	-----------	---------	--------------	--------

</TABLE>

- (1) BASE RENT IS DEFINED AS THE MINIMUM PAYMENTS DUE AS OF DECEMBER 31, 1996, EXCLUDING PERIODIC CONTRACTUAL FIXED INCREASES.
- (2) EXCLUDES LEASES THAT HAVE BEEN ENTERED INTO BUT WHICH TENANT HAS NOT YET TAKEN POSSESSION AND EXCLUDES MONTH-TO- MONTH LEASES.

RENTAL AND OCCUPANCY RATES

The following table sets forth information regarding the expiring leases during each of the last four calendar years.

<TABLE>
<CAPTION>

Year	Renewed by Existing Tenants		Released to New Tenants		Total Expiring		
	GLA (Sq Ft.)	% of Expiring GLA	GLA (Sq Ft.)	% of Expiring GLA	GLA (Sq Ft.)	% of Expiring GLA	% of Total Property GLA
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1996	134,639	90%	15,050	10%	149,689	100%	4%
1995	91,250	97%	2,400	3%	93,650	100%	3%
1994	105,697	91%	10,000	9%	115,697	100%	3%
1993	123,569	96%	5,500	4%	129,069	100%	4%

</TABLE>

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The following table sets forth the average base rental rate increases per square foot upon re-leasing stores that were turned over or renewed during each of the last four calendar years.

<TABLE>
<CAPTION>

Year	Renewals of Existing Leases				Stores Re-leased to New Tenants (1)			
	GLA (Sq Ft.)	Average Annualized Base Rents (\$ per square ft)			GLA (Sq Ft.)	Average Annualized Base Rents (\$ per square ft)		
		Expiring	New	% Increase		Expiring	New	% Increase
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1996	134,639	\$12.44	\$14.02	12.7%	78,268	\$14.40	\$14.99	
4.1%								
1995	91,250	11.54	13.03	12.9	59,445	13.64	14.80	
8.5								
1994	105,697	14.26	16.56	16.1	71,350	12.54	14.30	
14.0								
1993	123,569	12.83	13.94	8.7	29,000	10.81	14.86	
37.5								

</TABLE>

- (1) THE SQUARE FOOTAGE RELEASED TO NEW TENANTS FOR 1996, 1995, 1994 AND 1993 CONTAIN 15,050, 2,400, 10,000 AND 5,500 SQUARE FEET, RESPECTIVELY, THAT WAS RELEASED TO NEW TENANTS UPON EXPIRATION OF AN EXISTING LEASE. THE REMAINING SPACE WAS RETENANTED PRIOR TO ANY LEASE EXPIRATION.

The following table shows certain information on rents and occupancy rates for the Operating Partnership during each of the last five calendar years.

<TABLE>
<CAPTION>

Year	Occupancy	Average Base Rent Per Square Ft (1)	GLA Open at End of Each Year	Number of Operating Properties	Aggregate Percentage Rents
<S>	<C>	<C>	<C>	<C>	<C>
1996	99%	\$13.89	3,739,000	27	\$2,017,000
1995	99%	13.92	3,507,000	27	2,068,000

1994	99%	13.43	3,115,000	25	1,658,000
1993	98%	13.03	1,980,000	19	1,323,000
1992	99%	12.77	1,284,000	15	1,167,000

</TABLE>

(1) REPRESENTS TOTAL BASE RENTAL REVENUE DIVIDED BY WEIGHTED AVERAGE GLA OF THE PORTFOLIO, WHICH AMOUNT DOES NOT TAKE INTO CONSIDERATION FLUCTUATIONS IN OCCUPANCY THROUGHOUT THE YEAR.

OCCUPANCY COSTS

The Company believes that its average occupancy cost (which includes base rent, common area maintenance, real estate taxes, insurance, and promotions) to average sales per square foot ratio is low relative to other forms of retail distribution. The following table sets forth, for each of the last five years, occupancy costs per square foot as a percentage of reported tenant sales per square foot.

Year	Occupancy Costs
-----	-----
1996	8.7%
1995	8.5%
1994	7.4%
1993	6.5%
1992	6.5%

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TENANTS

The following table sets forth certain information with respect to the Company's largest tenants and their store concepts as of February 28, 1997, excluding stores in the Sevierville Property.

<TABLE>

<CAPTION>

Tenant	Number of Stores	GLA (Sq. Ft.)	% of Total GLA open
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Phillips-Van Heusen Corporation:			
Bass Shoes	15	103,162	2.75%
Bass Apparel	2	9,300	0.25%
Bass Company Store	1	6,500	0.17%
Van Heusen	17	74,476	1.99%
Geoffrey Beene Co. Store	17	67,660	1.80%
Izod	17	38,802	1.03%
Gant	9	25,100	0.67%
	-----	-----	-----
	78	325,000	8.66%
Liz Claiborne:			
Liz Claiborne	24	272,881	7.27%
Elizabeth	4	18,200	0.49%
	-----	-----	-----
	28	291,081	7.76%
Reebok International, Ltd.	19	141,800	3.78%
Sara Lee Corporation:			
L'eggs, Hanes, Bali	18	85,150	2.27%
Champion	3	9,000	0.24%
Sara Lee Bakery	5	11,750	0.31%
Coach	3	7,800	0.21%
Socks Galore	4	4,868	0.13%
	-----	-----	-----
	33	118,568	3.16%
County Seat Stores, Inc.:			
County Seat	6	49,000	1.31%
Levi's by County Seat	5	57,700	1.54%
	-----	-----	-----
	11	106,700	2.84%
American Commercial, Inc.:			
Mikasa Factory Store	12	91,000	2.43%
Oshkosh B'Gosh, Inc.:			
Oshkosh	12	67,540	1.80%
Genuine Kids	6	18,250	0.49%
	-----	-----	-----
	18	85,790	2.29%
VF Factory Outlet, Inc.	3	78,697	2.10%
Brown Group Retail, Inc.:			
Famous Footwear	4	21,000	0.56%
Naturalizer	6	14,200	0.38%
Brown Shoe	2	10,500	0.28%
Factory Brand Shoes	6	30,200	0.81%
Air Step/Buster Brown	1	3,000	0.08%
	-----	-----	-----

	19	78,900	2.10%
Lechters, Inc.	14	57,000	1.52%
Total of all tenants shown	235	1,374,536	36.70%
	=====	=====	=====

</TABLE>

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SIGNIFICANT PROPERTY

The Riverhead, NY property was constructed during 1994 and tenants began to occupy space mid-year. At December 31, 1994, approximately 83% of the available GLA had been occupied by tenants and the remaining GLA was occupied in 1995. The average annualized base rental rate during 1996, 1995 and 1994 was approximately \$17.73, \$17.63 and \$18.18 per weighted average GLA. No one tenant occupies more than 10% of the Riverhead property's available GLA. The tenants at the Riverhead, NY property principally conduct retail sales operations. The Company currently is constructing an additional property adjacent to the existing Riverhead, NY property, which will contain an initial phase totalling approximately 240,000 square feet. See "Business-Recent Developments" and "Business-Business and Operating Strategy".

Depreciation on the Riverhead, NY property is recognized on a straight-line basis over 33.33 years, resulting in a depreciation rate of 3% per year. At December 31, 1996, the net federal tax basis of the property was approximately \$37,509,000. Real estate taxes assessed during 1996 amounted to \$749,000.

The following table sets forth, as of February 28, 1997, scheduled lease expirations at the Riverhead, NY property assuming that none of the tenants exercise renewal options:

<TABLE>

<CAPTION>

Year	No. of Leases Expiring	GLA (sq. ft.)	Base Rent per sq. ft.	Annual Base Rent (1)	% of Gross Annual Rental Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
1998	1	10,000	\$16.00	\$160,000	3.1%
1999	23	85,860	18.26	1,568,000	30.7%
2000	5	17,235	18.92	326,000	6.4%
2001	8	34,150	20.12	687,000	13.4%
2002	12	36,000	20.06	722,000	14.1%
2004	18	102,950	16.02	1,649,000	32.3%
Total	67	286,195	\$17.86	\$5,112,000	100.0%

</TABLE>

(1) BASE RENT IS DEFINED AS THE MINIMUM PAYMENTS DUE AS OF DECEMBER 31, 1996, EXCLUDING PERIODIC CONTRACTUAL FIXED INCREASES.

ITEM 3. LEGAL PROCEEDINGS

Except for claims arising in ordinary course of business, which are covered by the Company's liability insurance, the Company is not presently involved in any litigation involving claims against the Company, nor, to its knowledge, is any material litigation threatened against the Company or its Properties which would have a material adverse effect on the Company, its Properties or its operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the fiscal year ended December 31, 1996.

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EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information concerning the executive officers of the Company:

<TABLE>

<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
Stanley K. Tanger.....	73	Chairman of the Board of Directors and Chief Executive Officer
Steven B. Tanger.....	48	Director, President and Chief Operating Officer
Rochelle G. Simpson	58	Secretary and Senior Vice President -

	Administration and Finance
Willard A. Chafin, Jr.....	59 Senior Vice President - Leasing, Site Selection, Operations and Marketing
Frank C. Marchisello, Jr.....	38 Vice President - Chief Financial Officer
Joseph H. Nehmen.....	47 Vice President - Operations
Virginia R. Summerell.....	38 Treasurer and Assistant Secretary
C. Randy Warren, Jr.....	32 Vice President - Leasing
Richard T. Parker.....	48 Vice President - Development
Carrie A. Johnson.....	34 Vice President - Marketing

</TABLE>

The following is a biographical summary of the experience of the executive officers of the Company:

STANLEY K. TANGER. Mr. Tanger is the Chief Executive Officer and Chairman of the Board of Directors of the Company. He also served as President from inception of the Company to December 1994. Mr. Tanger opened one of the country's first outlet shopping centers in Burlington, North Carolina in 1981. Before entering the factory outlet center business, Mr. Tanger was President and Chief Executive Officer of his family's apparel manufacturing business, Tanger/Creighton, Inc., for 30 years.

STEVEN B. TANGER. Mr. Tanger is a director of the Company and was named President and Chief Operating Officer effective January 1, 1995. Previously, Mr. Tanger served as Executive Vice President since joining the Company in 1986. He has been with Tanger-related companies for most of his professional career, having served as Executive Vice President of Tanger/Creighton for 10 years. He is responsible for all phases of project development, including site selection, land acquisition and development, leasing, marketing and overall management of existing outlet centers. Mr. Tanger is a graduate of the University of North Carolina at Chapel Hill and the Stanford University School of Business Executive Program. Mr. Tanger is the son of Stanley K. Tanger.

ROCHELLE G. SIMPSON. Ms. Simpson was named Senior Vice President - Administration and Finance of the Company in October 1995. She is also the Secretary of the Company and previously served as Treasurer from May 1993 through May 1995. She entered the factory outlet center business in January 1981, in general management and as chief accountant for Stanley K. Tanger and later became Vice President - Administration and Finance of the Predecessor Company. Ms. Simpson oversees the accounting and finance departments and has overall management responsibility for the Company's headquarters.

WILLARD A. CHAFIN, JR. Mr. Chafin was named Senior Vice President - Leasing, Site Selection, Operations and Marketing of the Company in October 1995. He joined the Company in April 1990, and since has held various executive positions where his major responsibilities included supervising the Marketing, Leasing and Property Management Departments, and leading the Asset Management Team. Prior to joining the Company, Mr. Chafin was the Director of Store Development for the Sara Lee Corporation, where he spent 21 years. Before joining Sara Lee, Mr. Chafin was employed by Sears Roebuck & Co. for nine years in advertising/sales promotion, inventory control and merchandising.

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FRANK C. MARCHISELLO, JR. Mr. Marchisello was named Vice President and Chief Financial Officer of the Company in November 1994. Previously, he served as Chief Accounting Officer since joining the Company in January 1993 and Assistant Treasurer since February 1994. He was employed by Gilliam, Coble & Moser, certified public accountants, from 1981 to 1992, the last six years of which he was a partner of the firm in charge of various real estate clients. While at Gilliam, Coble & Moser, Mr. Marchisello worked directly with the Tangers since 1982. Mr. Marchisello is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

JOSEPH H. NEHMEN. Mr. Nehmen joined the Company in September 1995 and was elected Vice President of Operations in October 1995. Mr. Nehmen has over 20 years experience in private business. Prior to joining Tanger, Mr. Nehmen was owner of Merchants Wholesaler, a privately held distribution company in St. Louis, Missouri. He is a graduate of Washington University. Mr. Nehmen is the son-in-law of Stanley K. Tanger.

VIRGINIA R. SUMMERELL. Ms. Summerell was named Treasurer of the Company in May 1995 and Assistant Secretary in November 1994. Previously, she held the position of Director of Finance since joining the Company in August 1992, after nine years of service with NationsBank. Her major responsibilities include cash management and oversight of all project and corporate finance transactions. Ms. Summerell is a graduate of Davidson College and holds an MBA from the Babcock School at Wake Forest University.

C. RANDY WARREN, JR. Mr. Warren is the Vice President - Leasing of the Company and joined the Company in November 1995. He was previously director of anchor leasing at Prime Retail, L.P., where he managed anchor tenant relations and negotiation on a national basis. Prior to that, he worked as a leasing executive for the company. Before entering the outlet industry, he was founder of Preston Partners, a development consulting firm in Baltimore, MD. Mr. Warren is a graduate of Towson State University and holds an MBA from Loyola College.

RICHARD T. PARKER. Mr. Parker is the Vice President - Development and joined the Company in April 1996. Prior to joining Tanger, Mr. Parker was with The Mills Corp for nine years where he served as Vice President of Land Development responsible for organizing and planning the development, merchandising and sale of peripheral land surrounding 2 million-plus square foot super regional mall projects. Prior to joining The Mills Corp, Mr. Parker was employed by Marriott International for 6 years where he served as Director of Franchise Development. Mr. Parker is a graduate of Golden Gate University and a veteran of the United States Air Force.

CARRIE A. JOHNSON. Ms. Johnson was named Vice President - Marketing in September 1996. Previously, she held the position of Assistant Vice President - Marketing since joining the Company in December 1995. Prior to joining Tanger, Ms. Johnson was with Prime Retail, LP for 4 years where she served as Regional Marketing Director responsible for coordinating and directing marketing for five outlet centers in the southeast region. Prior to joining Prime Retail, Inc., Ms. Johnson was Marketing Manager for North Hills, Inc. for five years and also served in the same role for the Edward J. DeBartolo Corp. for two years. Ms. Johnson is a graduate of East Carolina University.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDERS' MATTERS

The Common Stock commenced trading on the New York Stock Exchange on May 28, 1993. The initial public offering price was \$22.50 per share. The following table sets forth the high and low sales prices of the Common Stock as reported on the New York Stock Exchange Composite Tape, during the periods indicated.

<TABLE>

<CAPTION>

1996	High	Low	Common Dividends Paid
-	-	-	-
<S>	<C>	<C>	<C>
First Quarter	\$26.00	\$23.38	\$.50
Second Quarter	25.38	22.63	.52
Third Quarter	24.88	22.88	.52
Fourth Quarter	27.38	23.50	.52
Year 1996	\$27.38	\$22.63	\$2.06
-	-	-	-

1995	High	Low	Common Dividends Paid
-	-	-	-
First Quarter	\$27.25	\$22.75	\$.46
Second Quarter	26.75	22.75	.50
Third Quarter	27.75	24.50	.50
Fourth Quarter	26.00	22.63	.50
Year 1995	\$27.75	\$22.63	\$1.96
-	-	-	-

</TABLE>

As of February 28, 1997, there were approximately 467 shareholders of record. Certain of the Company's debt agreements limit the payment of dividends such that dividends shall not exceed 95% of funds from operations, as defined in the agreements, on a cumulative basis. Based on continuing favorable operations and available funds from operations, the Company intends to continue to pay regular quarterly dividends.

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ITEM 6. SELECTED FINANCIAL DATA

<TABLE>

<CAPTION>

(In thousands, except per share data)	1996	1995	1994	1993	1992
-	-	-	-	-	-
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA					
Total revenues	\$75,500	\$68,604	\$45,988	\$29,204	\$17,931
EBITDA	46,474	41,058	26,089	17,519	10,926
Income before minority interest and extraordinary item	16,177	15,352	15,147	8,555	1,991
Income before extraordinary item(1)	11,752	11,218	11,168	4,574	---
Net income (1)(3)	11,191	11,218	11,168	1,898	---
-	-	-	-	-	-

SHARE DATA (2)					
Income before extraordinary item	\$1.46	\$1.36	\$1.32	\$.90	
Net income (3)	\$1.37	\$1.36	\$1.32	\$.35	
Common dividends paid	\$2.06	\$1.96	\$1.80	\$.535	
Weighted average common shares outstanding	6,402	6,095	5,177	4,858	

BALANCE SHEET DATA					
Real estate assets, before depreciation	\$358,361	\$325,881	\$292,406	\$137,666	\$85,460
Total assets	332,138	315,130	294,802	182,396	88,192
Long-term debt	178,004	156,749	121,323	20,316	90,188
Shareholders' equity (deficit)	110,657	114,813	118,177	120,067	(9,419)

OTHER DATA					
Funds from operations (4)	\$32,313	\$29,597	\$23,189	\$12,008	\$4,471
Cash flows from:					
Operating activities	\$38,051	\$32,423	\$21,304	\$11,571	\$4,263
Investing activities	(\$36,401)	(\$44,788)	(\$143,683)	(\$49,277)	(\$29,374)
Financing activities	(\$4,176)	\$13,802	\$80,661	\$81,324	\$25,528
Gross leasable area open at year end	3,739	3,507	3,115	1,980	1,284
Number of centers	27	27	25	19	15

</TABLE>

- (1) All earnings prior to the initial public offering ("IPO") on June 4, 1993 have been allocated to minority interest. Subsequent to the IPO, earnings have been allocated to the Company and the minority interest based on their respective weighted average ownership interests in the Operating Partnership during the year.
- (2) Not applicable in 1992 since the IPO took place in June 1993.
- (3) Pro forma net income and net income per common share, which reflect adjustments to historical information to present income information as if the IPO had taken place on January 1, 1992, were \$6,551 and \$1.31 per share during 1993 and \$3,467 and \$.71 per share during 1992.
- (4) Funds from operations for all years presented have been restated in accordance with the new definition provided by the National Association of Real Estate Investment Trusts. See Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Liquidity and Capital Resources" for a complete discussion of funds from operations.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations.

The discussion of the Company's results of operations reported in the consolidated statements of operations compares the years ended December 31, 1996 and 1995, as well as December 31, 1995 and 1994. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development and expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy throughout each year shown since GLA is not reduced when original occupied space subsequently becomes vacant.

GENERAL OVERVIEW

The Company continues to grow principally through the development of new factory outlet centers, acquisitions and expansion of existing centers. During 1996, the Company completed six expansions totalling 181,142 square feet. In addition, construction has commenced on the initial phase of a new center in Riverhead, New York totalling approximately 240,000 square feet. During 1995, the Company substantially completed two new centers and expanded four existing centers. Total square feet opened in 1995, including completion of certain projects that commenced at the end of 1994, was 392,312 square feet.

A summary of the operating results for the years ended December 31, 1996, 1995 and 1994 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

<TABLE>
<CAPTION>

	Year Ended December 31,		
	1996	1995	1994

<S>	<C>	<C>	<C>
GLA open at end of period (000's)	3,739	3,507	3,115
Weighted average GLA (000's) (1)	3,642	3,292	2,230
Outlet centers in operation	27	27	25
New centers opened	---	2	6
Centers expanded	6	4	6
States operated in at end of period	22	22	21
PER SQUARE FOOT			
Revenues			
Base rentals	\$13.89	\$13.92	\$13.43
Percentage rentals	.55	.63	.74
Expense reimbursements	6.04	6.05	5.96
Other income	.25	.24	.49
Total revenues	20.73	20.84	20.62
Expenses			
Property operating	6.47	6.83	6.95
General and administrative	1.50	1.54	1.97
Mortgage interest	3.84	3.44	1.26
Depreciation and amortization	4.52	4.37	3.65
Total expenses	16.33	16.18	13.83
Income before gain on sale of land, minority interest and extraordinary item	\$4.40	\$4.66	\$6.79

</TABLE>

(1) GLA WEIGHTED BY MONTHS OF OPERATIONS.

CAUTIONARY STATEMENTS

The discussion below contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 which reflect management's current views with respect to future events and financial performance. Such forward-looking statements are subject to certain risks and uncertainties; including, but not limited to, the effects of future events on the Company's financial performance; the risk that the Company may not be able to finance its planned development activities; risks related to the retail industry in which the Company's outlet centers compete, including the potential adverse impact of external factors such as inflation, tenant demand for space, consumer confidence, unemployment rates and consumer tastes and preferences; risks associated with the Company's development activities, such as the potential for cost overruns, delays and lack of predictability with respect to the financial returns associated with these development activities; the risk of potential increase in market interest rates from current rates; risks associated with real estate ownership, such as the potential adverse impact of changes in the local economic climate on the revenues and the value of the Company's properties; and the risks that a significant number of tenants may become unable to meet their lease obligations or that the Company may be unable to renew or re-lease a significant amount of available space on economically favorable terms.

RESULTS OF OPERATIONS

1996 COMPARED TO 1995

Base rentals increased \$4.8 million, or 10%, for the year ended December 31, 1996 when compared to the same period in 1995 primarily as a result of a 11% increase in weighted average GLA. Base rentals per weighted average GLA decreased less than 1% from \$13.92 per square foot to \$13.89 per square foot reflecting a slightly lower average occupancy rate during 1996 compared to 1995. The increase in base rents in 1996 consists of \$1.1 million associated with leases added during 1996 and \$3.7 million related to the effect of a full year's operation of centers opened in 1995.

Percentage rentals decreased \$51,000, or 2%, in 1996 compared to 1995 and percentage rentals per weighted average GLA declined \$.08 per square foot, or 13%, as a result of the dilutive effect of the increase in additional square footage associated with the expansions since tenant sales at centers in their first year of operation often do not reach the level on which percentage rentals are required (the "breakpoint"). The decrease is also a result of escalating breakpoints in certain leases renewing at existing centers without comparable increases in sales. Tenant sales per square foot for centers which were opened all of 1996 and 1995 increased 2% to approximately \$226 per square foot.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, operating, property tax, promotional and management expenses, increased \$2.1 million during 1996 as compared to the same period in 1995 due principally to the related increase in reimbursable operating and maintenance expenses associated with the growth in GLA. Expense reimbursements expressed as a percent of property operating expenses were 93% in the 1996 period compared to 89% in the 1995 period due to certain contractual increases and reductions in nonrecoverable operating and maintenance expenses.

Property operating expenses increased by \$1.1 million, or 5%, in 1996 as compared to 1995. On a weighted average GLA basis, property operating expenses decreased from \$6.83 per square foot to \$6.47 per square foot primarily due to a reduction in advertising and promotion expenses reflecting the Company's use of cost efficient means in advertising and promoting its centers. The decrease was partially offset by increases in real estate taxes as a result of reassessments of recently completed properties, particularly the property in Riverhead, NY. General and administrative expenses decreased 3% on a weighted average GLA basis to \$1.50 for the year ended 1996. General and administrative expenses as a percent of revenues decreased 3% to 7.2% in 1996 compared to 7.4% in 1995.

Aggregate interest expense increased \$2.7 million and \$.40 per weighted average GLA during 1996 period as compared to 1995. The increase is due to higher average borrowings outstanding during the period associated with the growth in GLA and due to a higher average interest rate under the senior unsecured notes issued in March 1996 when compared with the short term lines of credit previously utilized. Depreciation and amortization per weighted average GLA increased 3% from \$4.37 per square foot to \$4.52 per square foot primarily due to increases in tenant finishing allowances included in building and improvements which are depreciated over shorter lives and the accelerated depreciation of certain tenant finishing allowances related to tenants who vacated or terminated their lease prior to the expiration of the lease term.

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The extraordinary item represents the write off of previously deferred financing costs of \$831,000 in connection with the early retirement of debt with the proceeds from the senior unsecured notes issued in March 1996.

1995 COMPARED TO 1994

Base rentals increased \$15.9 million, or 53%, for the year ended December 31, 1995 when compared to the same period in 1994 primarily as a result of a 48% increase in weighted average GLA as well as the impact of leases renewing at higher base rental rates. The increase in base rents in 1995 consists of \$2.2 million associated with leases added during 1995, \$13.0 million related to the effect of a full year's operation of centers opened in 1994, and \$670,000 related to rental renewals in previously established outlet centers.

Percentage rents increased approximately \$410,000 for the year ended December 31, 1995 over the same period in 1994. However, percentage rents per weighted average GLA declined as a result of the dilutive effect of the increase in additional square footage associated with the new centers (since tenant sales at centers opening during the year often do not reach the level where percentage rents are required) and due to a changing mix in the amount of base and percentage rents on leases renewing at existing centers. Tenant sales per square foot for centers which were opened all of 1995 and 1994 were virtually the same as the prior year at approximately \$226 per square foot.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, operating, property tax, promotional and management expenses, increased \$6.6 million during 1995 as compared to the same period in 1994 due principally to the related increase in reimbursable property operating expenses associated with the growth in GLA. Expense reimbursements expressed as a percent of property operating expenses were 89% in the 1995 period compared to 86% in the 1994 period primarily as a result of certain contractual increases.

Property operating expenses increased by \$7.0 million, or 45%, in 1995 as compared to 1994. On a weighted average GLA basis, property operating expenses decreased from \$6.95 per square foot to \$6.83 per square foot. New developments usually carry a higher than average cost per square foot until all the square footage for that center is open for the entire period. Fewer new centers were opened in 1995 as compared to the significant amount of openings in the 1994 period, contributing to the favorable decrease in property operating expenses per weighted average GLA in 1995 compared to 1994. Excluding the new centers which were opened in 1994, property operating expenses increased 4%, or \$.27 per square foot, due primarily to additional advertising and promotion expenses, which reflect the Company's strategy to more actively promote its centers, and increases in real estate taxes. General and administrative expenses decreased 22% on a weighted average GLA basis to \$1.54 for the year ended 1995 and decreased from 10% to 7% of total revenues reflecting continued economies of scale achieved through controlling expenses despite the continued development and growth in GLA.

Financing the Company's development resulted in further utilization of long-term borrowings and aggregate interest expense increased \$8.5 million during 1995 as compared to 1994. The incremental borrowings in 1994 of \$101 million, resulting from the record development that year, did not significantly impact 1994 interest expense due to the effect of capitalizing the related interest costs during the construction period. However, the completion of those projects, combined with the impact of an additional \$35.4 million of borrowings in 1995, is reflected in the increase in interest expense per weighted average GLA from \$1.26 per square foot in 1994 to \$3.44 per square foot in 1995. Depreciation and amortization per weighted average GLA increased 20% due primarily to increases in costs associated with site preparation and improvements in the layout and design of new centers as well as increased tenant finishing allowances included in building and improvements which are depreciated over shorter lives.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$38.1, \$32.4 and \$21.3 million for the years ended December 31, 1996, 1995 and 1994, respectively. The increases for all three years were primarily due to the incremental operating income associated with new development. Net cash used in investing activities amounted to \$36.4, \$44.8 and \$143.7 million during 1996, 1995 and 1994 which reflects the lower levels of development over the past two years (181,142 square feet developed in 1996, 392,312 square feet in 1995 and 1,134,900 square feet in 1994). Due to the lower levels of construction activity, cash provided by financing activities has also decreased from \$80.7 in 1994 to \$13.8 and \$(4.2) in 1995 and 1996.

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During 1996 and 1995, the Company slowed its pace of new development in response to a soft retail environment and lower tenant demand. In turn, management concentrated its efforts on expanding and enhancing land in the current portfolio while at the same time diligently searching for new sites which will maximize value to both the Company's shareholders and tenants. However, management believes, based upon its discussions with present and prospective tenants, that many companies, including new entrants into the factory outlet business, desire to open a number of new factory outlet stores in the next several years, particularly where there are successful factory outlet centers in which such companies do not have a significant presence or where there are few factory outlet centers.

Construction has begun on a second property in Riverhead, NY (expected to begin opening in Spring 1997) totalling approximately 240,000 square feet. Upon total build out of this development over the next several years, the combined GLA of both properties should total approximately 750,000 square feet, making this outlet shopping center one of the largest in the nation. In addition, the Company is in the preleasing stages of three new sites located in Concord, NC (Charlotte), Romulus, MI (Detroit) and Ashburn, VA (Washington, D.C.) and on February 28, 1997, completed the purchase of an existing factory outlet center containing approximately 123,000 square feet for an aggregate purchase price of \$18.0 million. The Company also is in the process of developing plans for additional expansions and new centers for completion in 1998 and beyond and will consider other acquisitions that are suitable for its portfolio. However, there can be no assurance that any of these anticipated or planned developments or expansions will be started or completed as scheduled, or that any acquisitions will be made. Commitments for construction underway as of December 31, 1996 (which represent only those costs contractually required to be paid by the Company) amounted to \$18.2 million.

Management intends to continually have access to the capital resources necessary to expand and develop its business and, accordingly, may seek to obtain additional funds through equity offerings or debt financing. The Company has a shelf registration with the Securities and Exchange Commission providing for the issuance of up to \$100 million in additional equity securities and \$100 million in additional debt securities. During March 1996, the Company used a portion of its borrowing capacity under the shelf registration to issue, through the Operating Partnership, \$75 million of senior, unsecured notes, maturing March 11, 2001, with a coupon rate of 8.75% (effective yield of 8.926%). The proceeds of this offering were used to extinguish the Company's revolving lines of credit existing prior to January 1996. In April 1996, the Company filed a new registration statement with the SEC to reestablish the total amount of funds available under the shelf registration at \$200 million.

During the year, the Company established a new \$50 million secured line of credit, with interest payable at LIBOR plus 1.5% and established other unsecured lines of credit totalling \$40 million with interest rates ranging from prime less .25% to prime or LIBOR plus 1.75% to LIBOR plus 1.85%. Amounts available under these lines of credit, based on debt outstanding at December 31, 1996, totalled \$62.2 million. When considered with the Company's existing interest rate protection agreement covering \$10 million of variable rate debt, the Company's exposure to interest rate risk on variable rate borrowings outstanding at December 31, 1996 was limited to \$17.8 million. Also, with the addition of the unsecured borrowings, the Company has effectively unencumbered approximately 55% of its real estate assets.

Based on existing credit facilities, ongoing negotiations with certain financial institutions and funds available under the shelf registration, management believes that the Company has access to the necessary financing to fund the planned capital expenditures during 1997 and 1998.

The Company anticipates that adequate cash will be available to fund its operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long term. Although the Operating Partnership receives most of its rental payments on a monthly basis, distributions are made quarterly. Amounts accumulated for distribution will be invested in short-term money market or other suitable instruments. Certain of the Company's debt agreements limit the payment of dividends such that dividends will not exceed 95% of funds from operations ("FFO"), as defined in the agreements, on a cumulative basis.

FUNDS FROM OPERATIONS

Management believes that to facilitate a clear understanding of the consolidated historical operating results of the Company, FFO should be considered in conjunction with net income as presented in the audited consolidated financial statements included elsewhere in the annual report. Management generally considers FFO to be an appropriate measure of the performance of an equity real estate investment trust ("REIT"). FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary item and gains (losses) on sale of properties, plus depreciation and amortization and adjustments for other non-cash items. The Company cautions that the calculation of FFO may vary from entity to entity and as such the presentation of FFO by the Company may not be comparable to other similarly titled measures of other reporting companies. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO is not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

In March 1995, the National Association of Real Estate Investment Trusts ("NAREIT") issued an interpretive letter providing guidance as to the use and intent of its definition of funds from operations. Among other things, the letter clarifies that the amortization of deferred financing costs and depreciation of assets not uniquely significant to real estate should be excluded from total depreciation and amortization added back to net income in calculating funds from operations. All REIT's were encouraged to implement the recommendations of the letter no later than fiscal periods beginning in 1996. The Company adopted the new NAREIT definition of funds from operations beginning January 1, 1996 and has reclassified the prior year amounts to conform with the current year presentation. Below is a calculation of funds from operations for the years ended December 31, 1996 and 1995.

<TABLE>		
<CAPTION>		
FUNDS FROM OPERATIONS		
(IN THOUSANDS)		
	1996	1995

<S>	<C>	<C>
Income before gain on sale of land, minority interest and extraordinary item	\$16,018	\$15,352
Adjusted for:		
Depreciation and amortization uniquely significant to real estate	16,295	14,245
Funds from operations before minority interest	\$32,313	\$29,597
	=====	=====
Weighted average shares outstanding(1)	10,670	10,601
	=====	=====

</TABLE>

(1) ASSUMES CONVERSION OF ALL PARTNERSHIP UNITS HELD BY THE MINORITY INTEREST AND PREFERRED SHARES TO COMMON SHARES.

ECONOMIC CONDITIONS AND OUTLOOK

Substantially all of the Company's leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling the Company to receive percentage rentals based on tenants' gross sales (above predetermined levels, which the Company believes often are lower than traditional retail industry standards) which generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation. In addition, the Company has an interest rate protection agreement which limits the effect of changes in interest rates on approximately \$10 million of its floating rate debt through October 1998. This agreement, combined with the existing fixed rate mortgages, mitigate the Company's exposure to interest rate risk on approximately 90% of total debt outstanding as of December 31, 1996.

Approximately 240,000 square feet of space is currently up for renewal or re-tenanting in 1997. Existing tenants' sales have remained stable and renewals to existing tenants have remained strong. In addition, the Company has continued to attract and retain additional tenants. However, as typical in the factory outlet industry, certain tenants have either filed

for protection under bankruptcy laws or have elected to close some or all of their stores, resulting in approximately a 2% decrease in occupancy since

year end. Although there can be no assurance that any tenant whose lease expires will renew such lease or that terminated leases will be re-leased on economically favorable terms, management currently does not expect any material adverse impact as a result of these leases up for renewal, bankruptcy filings or notices of store closings. The Company's factory outlet centers typically include well known, national, brand name companies. By maintaining a broad base of credit tenants and a geographically diverse portfolio of properties located across the United States, the Company reduces its operating and leasing risks.

CONTINGENCIES

There are no recorded amounts resulting from environmental liabilities as there are no known material loss contingencies with respect thereto. Future claims for environmental liabilities are not measurable given the uncertainties surrounding whether there exists a basis for any such claims to be asserted and, if so, whether any claims will, in fact, be asserted. Furthermore, no condition is known to exist that would give rise to a material environmental liability for site restoration, post-closure and monitoring commitments, or other costs that may be incurred upon the sale or disposal of a property. Management has no plans to abandon any of the properties and is unaware of any other material loss contingencies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth at the pages indicated in Item 14(a) below.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Certain information required by Part III is omitted from this Report in that the registrant will file a definitive proxy statement pursuant to Regulation 14A (the "Proxy Statement") not later than 120 days after the end of the fiscal year covered by this Report, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement which specifically address the items set forth herein are incorporated by reference.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning the Company' directors required by this Item is incorporated by reference to the Company's Proxy Statement.

The information concerning the Company's executive officers required by this Item is incorporated by reference herein to the section in Part I, Item 4, entitled "Executive Officers of the Registrant".

The information regarding compliance with Section 16 of the Securities and Exchange Act of 1934 is to be set forth in the Proxy Statement and is hereby incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to the Company's Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated by reference to the Company's Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated by reference to the Company's Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES, AND REPORTS ON FORM 8-K

(A) DOCUMENTS FILED AS A PART OF THIS REPORT:

1. Financial Statements

<TABLE>

<CAPTION>

<S>

Report of Independent Accountants
Consolidated Balance Sheets-December 31, 1996 and 1995
Consolidated Statements of Operations-
Years Ended December 31, 1996, 1995 and 1994
Consolidated Statements of Shareholders' Equity-
For the Years Ended December 31, 1996, 1995 and 1994
Consolidated Statements of Cash Flows-
Years Ended December 31, 1996, 1995 and 1994
Notes to Consolidated Financial Statements

<C>

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2. Financial Statement Schedules

Schedule III

Report of Independent Accountants
Real Estate and Accumulated Depreciation

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F-16,17

</TABLE>

All other schedules have been omitted because of the absence of conditions under which they are required or because the required information is given in the above-listed financial statements or notes thereto.

3. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company.
3.1A	Amendment to Articles of Incorporation dated May 29, 1996.
3.2	Amended and Restated By-Laws of the Company. (Note 1)
3.3	Amended and Restated Agreement of Limited Partnership for the Operating Partnership. (Note 1)
4.1	Form of Deposit Agreement, by and between the Company and the Depositary, including Form of Depositary Receipt. (Note 1)
4.2	Form of Preferred Stock Certificate. (Note 1)
10.1	Unit Option Plan of the Company. (Note 2)
10.1A	First Amendment to the Unit Option Plan. (Note 1)
10.1B	Second Amendment to the Unit Option Plan. (Note 6)
10.1C	Third Amendment to the Unit Option Plan.
10.2	Stock Option Plan of the Company. (Note 2)
10.2A	First Amendment to the Stock Option Plan. (Note 1)
10.2B	Second Amendment to the Stock Option Plan. (Note 6)
10.2C	Third Amendment to the Stock Option Plan.
10.3	Form of Stock Option Agreement between the Company and certain Directors. (Note 3)
10.4	Form of Unit Option Agreement between the Operating Partnership and certain employees. (Note 3)
10.5	Amended and Restated Employment Agreement for Stanley K. Tanger.
10.6	Amended and Restated Employment Agreement for Steven B. Tanger.
10.7	Amended and Restated Employment Agreement for Willard Chafin.
10.8	Amended and Restated Employment Agreement for Rochelle Simpson.
10.9	Employment Agreement for Joseph H. Nehmen.
10.10	Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 2)
10.10A	Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 6)
10.11	Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Note 2)
10.12	Assignment and Assumption Agreement among Stanley K. Tanger, Stanley K. Tanger & Company, the Tanger Family Limited Partnership, the Operating Partnership and the Company. (Note 2)
10.13	Promissory Notes by and between the Operating Partnership and John Hancock Mutual Life Insurance Company aggregating \$50,000,000, dated as of December 13, 1994. (Note 4)
10.14	Promissory Note and Mortgage, Assignment of Leases and Rents, and Security Agreement by and between the Operating Partnership and New York Life Insurance Company, dated as of March 28, 1995. (Note 5)
10.15	Credit Agreement among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and National Westminster Bank, Plc dated January 15, 1996. (Note 7)

- 10.15A Amendment No. 1 to Credit Agreement among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and National Westminster Bank, Plc dated February 20, 1996. (Note 9)
- 10.15B Amendment No. 2 to Credit Agreement among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and National Westminster Bank, Plc dated May 31, 1996.
- 10.16 Form of Senior Indenture. (Note 8)
- 10.17 Form of First Supplemental Indenture (to Senior Indenture). (Note 8)
- 10.18 Loan Agreement dated as of October 14, 1996 between Tanger Properties Limited Partnership and First National Bank of Commerce.

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- 10.19 Loan Agreement dated as of November 18, 1996 between Tanger Properties Limited Partnership and Southtrust Bank of Alabama, National Association
- 21.1 List of Subsidiaries. (Note 2)
- 23.1 Consent of Coopers & Lybrand L.L.P.

Notes to Exhibits:

- 1. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed October 6, 1993, as amended.
 - 2. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.
 - 3. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.
 - 4. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1994
 - 5. Incorporated by reference to the exhibits to the Company's Quarterly Report of Form 10-Q for the period ended March 31, 1995..
 - 6. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
 - 7. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated January 23, 1996.
 - 8. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.
 - 9. Incorporated by reference to the exhibits to the Company's Quarterly Report of Form 10-Q for the period ended March 31, 1996.
- (B) REPORTS ON FORM 8-K - No reports on Form 8-K were filed by the Company during the fourth quarter ended December 31, 1996.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Stanley K. Tanger
Stanley K. Tanger
Chairman of the Board and
Chief Executive Officer

March 18, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ Stanley K. Tanger Stanley K. Tanger	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 18, 1997
/s/ Steven B. Tanger Steven B. Tanger	Director, President and Chief Operating Officer	March 18, 1997
/s/ Frank C. Marchisello, Jr. Frank C. Marchisello, Jr.	Vice President and Chief Financial Officer (Principal Financial and	March 18, 1997

Accounting Officer)

/s/ Jack Africk Jack Africk	Director	March 18, 1997
/s/ William G. Benton William G. Benton	Director	March 18, 1997
/s/ Thomas E. Robinson Thomas E. Robinson	Director	March 18, 1997

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY:

We have audited the accompanying consolidated balance sheets of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1996 and 1995, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Greensboro, NC
January 27, 1997, except for Note 14, which is dated February 28, 1997

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
ASSETS		
Rental property, net	\$311,454	\$294,423
Cash and cash equivalents	2,585	5,111
Deferred charges, net	7,846	5,728
Other assets	10,253	9,868
TOTAL ASSETS	\$332,138	\$315,130
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Long-term debt	\$178,004	\$156,749
Construction trade payables	8,320	11,305
Accounts payable and accrued expenses	9,558	4,679
TOTAL LIABILITIES	195,882	172,733
	-----	-----
Commitments		
Minority interest	25,599	27,584
	-----	-----
SHAREHOLDERS' EQUITY		
Preferred stock, \$.01 par value, 1,000,000 shares authorized, 106,419 and 141,484		

shares issued and outstanding at December 31, 1996 and 1995	1	1
Common stock, \$.01 par value, 50,000,000 shares authorized, 6,602,510 and 6,286,581 shares issued and outstanding at December 31, 1996 and 1995	66	63
Paid in capital	121,384	121,158
Distributions in excess of net income	(10,794)	(6,409)
TOTAL SHAREHOLDERS' EQUITY	110,657	114,813
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$332,138	\$315,130
	=====	=====

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
	-----	-----	-----
<S>	<C>	<C>	<C>
REVENUES			
Base rentals	\$50,596	\$45,818	\$29,937
Percentage rentals	2,017	2,068	1,658
Expense reimbursements	21,991	19,913	13,295
Other income	896	805	1,098
Total revenues	75,500	68,604	45,988
	-----	-----	-----
EXPENSES			
Property operating	23,559	22,467	15,500
General and administrative	5,467	5,079	4,399
Interest	13,998	11,337	2,798
Depreciation and amortization	16,458	14,369	8,144
Total expenses	59,482	53,252	30,841
	-----	-----	-----
INCOME BEFORE GAIN ON SALE OF LAND, MINORITY INTEREST AND EXTRAORDINARY ITEM	16,018	15,352	15,147
Gain on sale of land	159	---	---
	-----	-----	-----
INCOME BEFORE MINORITY INTEREST AND EXTRAORDINARY ITEM	16,177	15,352	15,147
Minority interest	(4,425)	(4,134)	(3,979)
	-----	-----	-----
INCOME BEFORE EXTRAORDINARY ITEM	11,752	11,218	11,168
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of \$270	(561)	---	---
NET INCOME	\$11,191	\$11,218	\$11,168
	=====	=====	=====
PER COMMON SHARE OUTSTANDING:			
Income before extraordinary item	\$1.46	\$1.36	\$1.32
Net income	1.37	1.36	1.32
	=====	=====	=====

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995, AND 1994
(In thousands, except share data)

	Preferred Stock	Common Stock	Paid in Capital	Distributions in Excess of Net Income	Total Shareholders' Equity
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE, DECEMBER 31, 1993	\$3	\$49	\$120,716	\$ (701)	\$120,067
Conversion of 70,556 preferred shares into 635,679 common shares	(1)	6	(5)	---	---
Compensation under Unit Option Plan	---	---	216	---	216
Net income	---	---	---	11,168	11,168

Preferred dividends paid (\$15.06 per share)	---	---	---	(3,954)	(3,954)
Common dividends paid (\$1.80 per share)	---	---	---	(9,320)	(9,320)
BALANCE, DECEMBER 31, 1994	2	55	120,927	(2,807)	118,177
Conversion of 87,960 preferred shares into 792,506 common shares	(1)	8	(7)	---	---
Issuance of 600 common shares upon exercise of unit options	---	---	14	---	14
Compensation under Unit Option Plan	---	---	224	---	224
Net income	---	---	---	11,218	11,218
Preferred dividends paid (\$17.66 per share)	---	---	---	(2,944)	(2,944)
Common dividends paid (\$1.96 per share)	---	---	---	(11,876)	(11,876)
BALANCE, DECEMBER 31, 1995	1	63	121,158	(6,409)	114,813
Conversion of 35,065 preferred shares into 315,929 common shares	---	3	(3)	---	---
Compensation under Unit Option Plan	---	---	229	---	229
Net Income	---	---	---	11,191	11,191
Preferred dividends paid (\$18.56 per share)	---	---	---	(2,416)	(2,416)
Common dividends paid (\$2.06 per share)	---	---	---	(13,160)	(13,160)
BALANCE, DECEMBER 31, 1996	\$1	\$66	\$121,384	\$ (10,794)	\$110,657

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
	-----	-----	-----
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	\$11,191	\$11,218	\$11,168
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	16,458	14,369	8,144
Amortization of deferred financing costs	953	955	690
Minority interest	4,155	4,134	3,979
Loss on early extinguishment of debt	831	---	---
Gain on sale of land	(159)	---	---
Straight-line base rent adjustment	(1,192)	(1,316)	(941)
Compensation under Unit Option Plan	338	334	342
Increase (decrease) due to changes in:			
Other assets	597	2,431	(3,610)
Accounts payable and accrued expenses	4,879	298	1,532
NET CASH PROVIDED BY OPERATING ACTIVITIES	38,051	32,423	21,304
INVESTING ACTIVITIES			
Acquisition of real estate	---	---	(23,800)
Additions to rental properties	(35,408)	(43,758)	(118,551)
Additions to deferred lease costs	(1,167)	(1,030)	(1,332)
Proceeds from sale of land	174	---	---
NET CASH USED IN INVESTING ACTIVITIES	(36,401)	(44,788)	(143,683)
FINANCING ACTIVITIES			
Cash dividends paid	(15,576)	(14,820)	(13,274)
Distributions to minority interest	(6,249)	(5,945)	(5,460)
Proceeds from notes payable	75,000	16,250	56,400
Repayments on notes payable	(1,019)	(949)	(15,793)
Proceeds from revolving lines of credit	70,301	113,555	113,500
Repayments on revolving lines of credit	(123,027)	(93,430)	(53,100)
Additions to deferred financing costs	(3,606)	(873)	(1,612)
Proceeds from exercise of unit options	---	14	---
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(4,176)	13,802	80,661
Net increase (decrease) in cash and cash equivalents	(2,526)	1,437	(41,718)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,111	3,674	45,392
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$2,585	\$5,111	\$3,674

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

1. ORGANIZATION AND FORMATION OF THE COMPANY

Tanger Factory Outlet Centers, Inc. (the "Company") is a self-administered, self-managed real estate investment trust ("REIT") that develops, owns and operates factory outlet centers. Recognized as one of the largest owners and operators of factory outlet centers in the United States, the Company owned and operated 27 factory outlet centers (the "Properties") located in 22 states with a total gross leasable area of approximately 3.8 million square feet at the end of 1996. The Company is a fully-integrated real estate company and provides all development, leasing and management services for its centers. The Company is the successor to a factory outlet business that consisted of 17 Properties (the "predecessor business") that were individually owned and controlled by Stanley K. Tanger and the Tanger Family Limited Partnership (the "Original Owners").

The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, the Company's majority owned subsidiary, Tanger Properties Limited Partnership (the "Operating Partnership"). The Operating Partnership was formed in June 1993 through the contributions by the Company, the sole general partner, the Tanger Family Limited Partnership, the sole limited partner, and Stanley K. Tanger. The Company contributed the proceeds of an initial public offering ("IPO") and two properties it had acquired for shares of the Company's Common Stock. The Original Owners contributed the remaining 15 Properties, subject to their related mortgage indebtedness, as well as the net assets of the related property and lease management business and certain other assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION-The Company, as sole general partner, consolidates the Operating Partnership for financial reporting purposes. All significant intercompany balances and transactions have been eliminated in consolidation. In addition, the Company accounted for the transfer of the Properties and the management business to the above mentioned entities as a reorganization of entities under common control using an "as if pooling" method of accounting, whereby historical results of operations and financial condition of the properties and the management business were combined with the Company's consolidated results of operations and financial condition.

MINORITY INTEREST-Minority interest reflects the limited partner's percentage ownership of Operating Partnership Units (the "Units") . Allocation of net income to the limited partner subsequent to the IPO is based on this respective ownership interest (See Note 7).

USE OF ESTIMATES-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RENTAL PROPERTIES-Rental properties are recorded at cost less accumulated depreciation. Costs incurred for the acquisition, construction, and development of properties are capitalized. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The Company generally uses estimated lives ranging from 25 to 33 years for buildings, 15 years for land improvements and seven years for equipment. Expenditures for ordinary maintenance and repairs are charged to operations as incurred while significant renovations and improvements, including tenant finishing allowances, that improve and/or extend the useful life of the asset are capitalized and depreciated over their estimated useful life.

The pre-construction stage of project development involves incurrence of certain costs to secure land control and zoning and complete other initial tasks which are essential to the development of the project. These costs are transferred to developments under construction when the pre-construction tasks are completed. The Company provides for the costs of potentially unsuccessful pre-construction efforts by charges to operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS-All highly liquid investments with an original maturity of three months or less at the date of purchase are considered to be cash and cash equivalents. Cash balances at a limited number of banks may periodically exceed insurable amounts. The Company believes that it mitigates its risk by investing in or through major financial institutions. Recoverability of investments is dependent upon the performance of the issuer.

DEFERRED CHARGES-Deferred lease costs consist of fees and costs incurred to initiate operating leases and are amortized over the average minimum lease term. Deferred financing costs include fees and costs incurred to obtain long-term financing and are being amortized over the terms of the respective loans. Unamortized deferred financing costs are charged to expense when debt is retired before the maturity date.

IMPAIRMENT OF LONG-LIVED ASSETS-In the event that facts and circumstances indicate that the cost of the Company's long-lived assets may be impaired, an evaluation of recoverability would be performed. If an evaluation were required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required.

REVENUE RECOGNITION - Minimum rental income is recognized on a straight line basis over the term of the lease. Substantially all leases contain provisions which provide additional rents based on tenants' sales volume ("percentage rentals") and reimbursement of the tenants' share of advertising and promotion, common area maintenance, insurance and real estate tax expenses. Percentage rentals are recognized when earned. Expense reimbursements are recognized in the period the applicable expenses are incurred. Payments received from the early termination of leases are recognized when the applicable space is released, or otherwise, are amortized over the remaining lease term.

INCOME TAXES-The Company operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code (the "Code"). A REIT which distributes at least 95% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. The Company intends to continue to qualify as a REIT and to distribute substantially all of its taxable income to its shareholders. Accordingly, no provision has been made for Federal income taxes. The Company paid preferred dividends per share of \$18.56, \$17.66 and \$15.06 in 1996, 1995 and 1994, respectively, all of which are treated as ordinary income. The table below summarizes the common dividends paid per share and the amount representing estimated return of capital.

	1996	1995	1994
Common dividends per share	-----	-----	-----
Ordinary income	\$1.607	\$1.352	\$1.458
Return of capital	.453	.608	.342
	\$2.060	\$1.960	\$1.800
	=====	=====	=====

INCOME PER SHARE-Income per share is calculated by dividing income, less applicable preferred dividends of \$2,399, \$2,903 and \$4,351 for the years ended December 31, 1996, 1995 and 1994, by the weighted average number of common shares outstanding (6,401,505, 6,094,667 and 5,177,292 for the years ended December 31, 1996, 1995 and 1994). Options outstanding are not included since their inclusion would not be materially dilutive. The assumed conversion of Depositary Shares as of the beginning of the year would have been anti-dilutive. The assumed conversion of the partnership Units held by the limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest, would have no impact on earnings per share since the allocation of earnings to an Operating Partnership Unit is equivalent to earnings allocated to a share of Common Stock.

CONCENTRATION OF CREDIT RISK-The Company's management performs ongoing credit evaluations of their tenants. Although the tenants operate principally in the retail industry, the properties are geographically diverse. During 1995 and 1994, one tenant accounted for approximately 10% and 11% of combined base and percentage rental income. No single tenant accounted for 10% or more of combined base and percentage rental income during 1996.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUPPLEMENTAL CASH FLOW INFORMATION-The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of December 31, 1996, 1995 and 1994 amounted to \$8,320, \$11,305 and \$21,636, respectively. Interest paid, net of interest capitalized, in 1996, 1995 and 1994 was \$10,637, \$10,266 and \$1,824, respectively.

RECLASSIFICATIONS - Certain prior year amounts have been reclassified to conform with the current year presentation.

3. RENTAL PROPERTIES

The following summarizes the carrying amounts of rental property as of December 31, 1996 and 1995:

	1996	1995
Land	\$43,339	\$37,176
Buildings and improvements	299,534	284,292
Developments under construction	15,488	4,413
	-----	-----
	358,361	325,881
Accumulated depreciation	46,907	31,458
	-----	-----
	\$311,454	\$294,423
	=====	=====

Buildings and improvements consist primarily of permanent buildings and improvements made to land such as landscaping and infrastructure and costs incurred in providing rental space to tenants. Interest costs capitalized during 1996, 1995 and 1994 amounted to \$1,044, \$580 and \$1,481, and development costs capitalized amounted to \$1,321, \$1,253 and \$1,599, respectively. Depreciation expense for each of the years ended December 31, 1996, 1995 and 1994 was \$15,449, \$13,451 and \$7,571, respectively.

Commitments for construction of new developments and additions to existing properties amounted to \$18,242 at December 31, 1996. Commitments for construction represent only those costs contractually required to be paid by the Company.

4. DEFERRED CHARGES

Deferred charges as of December 31, 1996 and 1995 consist of the following:

	1996	1995
	-----	-----
Deferred lease costs	\$6,705	\$5,538
Deferred financing costs	4,657	3,628
	-----	-----
	11,362	9,166
Accumulated amortization	3,516	3,438
	-----	-----
	\$7,846	\$5,728
	=====	=====

Amortization of deferred lease costs for the years ended December 31, 1996, 1995 and 1994 was \$799, \$731 and \$434, respectively. Amortization of deferred financing costs for the years ended December 31, 1996, 1995 and 1994 was \$953, \$955 and \$690, respectively. During 1996, the Company expensed the remaining unamortized financing costs totalling \$831 related to debt extinguished with other current year borrowings. Such amount is shown as an extraordinary item in the accompanying consolidated statements of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (IN THOUSANDS, EXCEPT SHARE DATA)

5. LONG-TERM DEBT

Long-term debt at December 31, 1996 and 1995 consists of the following:

	1996	1995
	-----	-----
<S>	<C>	<C>
8.75% Senior, unsecured notes, maturing March 2001	\$75,000	\$---
Mortgage notes with fixed interest at:		
8.92%, maturing January 2002	48,817	49,435
8.625%, maturing September 2000	10,412	10,657
9.77%, maturing April 2005	15,975	16,131
Revolving lines of credit with variable interest rates ranging from either prime less .25% to prime or LIBOR plus 1.50% to LIBOR plus 1.80%	27,800	80,526
	\$178,004	\$156,749
	=====	=====

</TABLE>

Maturities of the existing long-term debt are as follows:

		%
1997	\$1,153	1
1998	13,561	8
1999	16,880	9
2000	10,567	6
2001	76,184	43
Thereafter	59,659	33
	\$178,004	100
	=====	=====

The Company maintains revolving lines of credit which provide for borrowing up to \$90,000. The agreements expire at various times through 1999. Interest is payable based on alternative interest rate bases at the Company's option. Amounts available under these facilities at December 31, 1996 totalled \$62,200. Certain of the Company's properties, which had a net book value of approximately \$141,640 at December 31, 1996, serve as collateral for the fixed rate mortgages and revolving lines of credit.

The credit agreements require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends will not exceed 95% of funds from operations, as defined in the agreements, on a cumulative basis. All three existing fixed rate mortgage notes contain prepayment penalty clauses.

6. DERIVATIVES AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company selectively enters into interest rate protection agreements to mitigate changes in interest rates on its variable rate borrowings. The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss. None of these agreements are used for trading purposes. The cost of these agreements are

included in deferred financing costs and are being amortized on a straight-line basis over the life of the agreements.

In October 1995, the Company entered into an interest rate swap, at no cost to the Company, effective through October 1998 with a notional amount of \$10,000 which fixed the 30 day LIBOR index at 5.99%. The impact of this agreement,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

together with an interest rate swap agreement which expired during 1996, reduced mortgage interest expense by \$88, \$693 and \$275 during 1996, 1995 and 1994.

The carrying amount of cash equivalents approximates fair value due to the short-term maturities of these financial instruments. The fair value of long-term debt at December 31, 1996, which is estimated as the present value of future cash flows, discounted at interest rates available at the reporting date for new debt of similar type and remaining maturity, was approximately \$179,636. The estimated fair value of the interest rate swap agreement at December 31, 1996, as determined by the issuing financial institution, was an unrealized loss of approximately \$23.

7. SHAREHOLDERS' AND PARTNERSHIP EQUITY

On June 4, 1993, the Company completed an initial public offering of 4,857,796 shares of \$.01 par value Common Stock. The net proceeds totalled approximately \$91,916 and were contributed to the Operating Partnership in exchange for units in the Operating Partnership equivalent to the number of shares issued in the offering.

On December 9, 1993, the Company sold 3,000,000 Depositary Shares, each representing 1/10 of a share of Series A Cumulative Convertible Redeemable Preferred Shares, at \$25 per share. Proceeds from this offering, net of underwriters discount and estimated offering expenses, totalled \$70,800 and were contributed to the Operating Partnership in return for preferred general partnership Units. The Preferred Shares have a liquidation preference equivalent to \$25 per Depositary Share and dividends accumulate per Depositary Share equal to the greater of (i) \$1.575 per year or (ii) the dividends on the Common Stock or portion thereof, into which a depositary share is convertible. The Preferred Shares rank senior to the Common Stock in respect of dividend and liquidation rights.

The Preferred Shares are convertible at the option of the holder at any time into shares of Common Stock of the Company at a rate equivalent to .901 shares of Common Stock for each Depositary Share (equivalent to a conversion price of \$27.75 per share of Common Stock). At December 31, 1996, 958,835 shares of Common Stock were reserved for the conversion of preferred Depositary Shares. The Preferred Shares and the related Depositary Shares are not redeemable prior to December 15, 1998. On and after December 15, 1998, the Preferred Shares and Depositary Shares may be redeemed at the option of the Company, in whole or in part, at a redemption price of \$25 per Depositary Share, plus accrued and unpaid dividends.

As of December 31, 1996, the ownership interests of the Operating Partnership consisted of 6,602,510 general partnership Units held by the Company, 106,419 preferred general partnership Units (which are convertible into approximately 958,835 general partnership Units) held by the Company and 3,033,305 limited partnership Units held by the Tanger Family Limited Partnership. The limited partner's Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, on a one-for-one basis for shares of the Company's common stock. Preferred Units are automatically converted into general partnership Units to the extent of any conversion of Series A Preferred Shares of the Company into common shares of the Company.

8. EMPLOYEE BENEFIT PLANS

The Company has a non-qualified and incentive stock option plan ("The 1993 Stock Option Plan") and the Operating Partnership has a non-qualified Unit option plan ("The 1993 Unit Option Plan"). Units received upon exercise of Unit options are exchangeable for Common Stock. The Company accounts for these plans under APB Opinion No. 25, under which no compensation cost has been recognized.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

Had compensation cost for these plans been determined for options granted since January 1, 1995 consistent with SFAS #123, ACCOUNTING FOR STOCK-BASED COMPENSATION, the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

		1996	1995
		-----	-----
Net income:	As reported	\$11,191	\$11,218

	Pro forma	\$11,114	\$11,207
Primary EPS:	As reported	\$1.37	\$1.36
	Pro forma	\$1.36	\$1.36

Because the Statement 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The Company may issue up to 1,000,000 shares under The 1993 Stock Option Plan and The 1993 Unit Option Plan. The Company has granted 916,550 options, net of options forfeited, through December 31, 1996. Under both plans, the option exercise price is determined by the Stock and Unit Option Committee of the Board of Directors. Non-qualified stock and Unit options granted expire 10 years from the date of grant and are exercisable in five equal installments commencing one year from the date of grant.

A summary of the status of the Company's two plans at December 31, 1996, 1995 and 1994 and changes during the years then ended is presented in the table and narrative below:

<TABLE>
<CAPTION>

	1996		1995		1994	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year	680,650	\$23.58	546,000	\$23.57	403,000	\$22.50
Granted	237,700	24.29	154,550	23.50	143,000	26.63
Exercised	---	---	(600)	22.50	---	---
Forfeited	(2,400)	23.59	(19,300)	22.70	---	---
Outstanding at end of year	915,950	\$23.77	680,650	\$23.58	546,000	\$23.57
Exercisable at end of year	320,410	\$23.31	184,700	\$23.11	80,600	\$22.50
Weighted average fair value of options granted	\$2.56		\$2.18		N/A	

</TABLE>

Options outstanding at December 31, 1996 have exercise prices between \$22.50 and \$31.25, with a weighted average exercise price of \$23.31 and a weighted average remaining contractual life of 7.9 years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1996 and 1995, respectively: expected dividend yields of 8%; expected lives ranging from 5 years to 7 years; expected volatility 20%; and risk-free interest rates ranging from 5.6% to 6.75% in 1996 and from 5.8% to 5.9% in 1995.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

Unamortized stock compensation, which relates to options that were granted at an exercise price below the fair market value at the time of grant, was \$533 and \$871 at December 31, 1996 and 1995. Compensation expense recognized during 1996, 1995 and 1994 was \$338, \$334 and \$342, respectively.

During 1994, the Company established a qualified retirement plan, with a salary deferral feature designed to qualify under Section 401 of the Code (the "401(k) Plan"), which covers substantially all officers and employees of the Company. The 401(k) Plan permits employees of the Company, in accordance with the provisions of Section 401(k) of the Code, to defer up to 20% of their eligible compensation on a pre-tax basis subject to certain maximum amounts. Employee contributions are fully vested and are matched by the Company at a rate of compensation deferred to be determined annually at the Company's discretion. The matching contribution is subject to vesting under a schedule providing for 20% annual vesting starting with the third year of employment and 100% vesting after seven years of employment.

9. LEASE AGREEMENTS

The Company is the lessor of a total of 916 stores in 27 factory outlet centers, under operating leases with initial terms that expire from 1997 to 2014. Most leases are renewable for five years at the lessee's option. Future minimum lease receipts under noncancelable operating leases as of December 31, 1996 are as follows:

1997	\$49,125
1998	44,768
1999	39,219
2000	30,050
2001	21,863
Thereafter	41,516
	\$226,541
	=====

The Company purchased the rights to lease land on which two of the outlet centers are situated for \$1,520. These leasehold rights are being amortized on a straight-line basis over 30 and 40 year periods. Accumulated amortization was \$419 and \$371 at December 31, 1996 and 1995, respectively. The annual rental payments for these leases aggregated \$315, \$312 and \$231 for the years ended December 31, 1996, 1995 and 1994, respectively. Minimum lease payments for the next five years and thereafter are as follows:

1997	\$318
1998	321
1999	338
2000	351
2001	354
Thereafter	26,166
	\$27,848
	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

11. RELATED PARTY INFORMATION

Vernon, Vernon, Wooten, Brown, Andrews & Garrett, P.A., a law firm in which a partner served on the Company's Board of Directors from June 1993 to December 1994, provides legal services to the Company. During 1994, the Company paid approximately \$1,523 for these services.

12. ACQUISITION

On October 19, 1994, the Company completed its acquisition of the assets of MillStream Factory Shops, a factory outlet center in Lancaster, Pennsylvania, for an aggregate purchase price of \$23,800. The acquisition was accounted for using the purchase method whereby the purchase price was allocated to assets acquired based on their fair values. The results of operations of the acquired property have been included in the consolidated results of operations since the acquisition date.

Pro forma total revenues, net income and net income per share for the year ended December 31, 1994, which reflect adjustments to present the historical information as if the acquisition had occurred as of the beginning of the respective period, were \$48,833, \$11,035 and \$1.29, respectively. The pro forma information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had the acquisition occurred at the beginning of the respective period, nor does it purport to represent the results of operations for future periods.

13. SUPPLEMENTARY INCOME STATEMENT INFORMATION

The following amounts are included in operating and maintenance expense for the years ended December 31:

	1996	1995	1994
	-----	-----	-----
Advertising and promotion	\$7,691	\$8,884	\$5,769
Common area maintenance	6,681	5,960	4,079
Real estate taxes	4,699	3,483	2,210
Other operating expenses	4,488	4,140	3,442
	\$23,559	\$22,467	\$15,500
	=====	=====	=====

14. SUBSEQUENT EVENT

On February 28, 1997, the Company completed its acquisition of Five Oaks Factory Stores, a factory outlet center in Sevierville, Tennessee, for an aggregate purchase price of \$18,000. The acquisition will be accounted for using the purchase method whereby the purchase price will be allocated to assets acquired based on fair values.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT SHARE DATA)

15. QUARTERLY FINANCIAL INFORMATION (Unaudited)

<TABLE>					
<CAPTION>					
1996 QUARTER	FIRST	SECOND	THIRD	FOURTH	
	-----	-----	-----	-----	
<S>	<C>	<C>	<C>	<C>	
Total revenues	\$18,123	\$18,189	\$19,453	\$19,735	
Income before minority interest and extraordinary item	3,910	3,591	4,083	4,593	
Income before extraordinary item	2,849	2,634	2,964	3,305	
Net income	2,288	2,634	2,964	3,305	
Per Share:					
Income before extraordinary item	.35	.32	.37	.42	

Net income	.26	.32	.37	.42
------------	-----	-----	-----	-----

1995 QUARTER	First	Second	Third	Fourth
Total revenues	\$15,760	\$17,235	\$17,768	\$17,841
Income before minority interest	3,744	3,525	3,847	4,236
Net income	2,748	2,597	2,808	3,065
Net income per share	.33	.31	.34	.39

</TABLE>

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REPORT OF INDEPENDENT ACCOUNTANTS

Our report on the consolidated financial statements of Tanger Factory Outlet Centers, Inc. and Subsidiary is included on page F-1 of this Form 10-K. In connection with our audits of such financial statements, we have also audited the related financial statement schedule listed in the index on page 25 of this Form 10-K.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Greensboro, North Carolina
January 27, 1997, except for Note 14,
which is dated February 28, 1997

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED DECEMBER 31, 1996 (Amounts in thousands)

<TABLE>
<CAPTION>

Description			Initial Cost to Company		Costs Capitalized Depreciation in Income (Improvements)	
Outlet Center Name	Location	Encumbrances	Land	Building & Fixtures	Land	Building & Fixtures
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	\$ ---	\$3,941	\$12,533	\$ ---	\$883
Boaz	Boaz, AL	1,550	616	2,195	---	864
Bourne	Bourne, MA	---	899	1,361	---	185
Branch	N. Branch, MN	---	423	5,644	249	2,408
Branson	Branson, MO	5,425	4,557	25,040	---	3,086
Casa Grande	Casa Grande, AZ	---	753	9,091	---	1,138
Clover	North Conway, NH	---	393	672	---	49
Commerce I	Commerce, GA	10,412	755	3,511	492	5,121
Commerce II	Commerce, GA	---	1,299	14,046	541	2,554
Gonzales	Gonzales, LA	4,650	1,011	16,165	10	3,247
Kittery-I	Kittery, ME	6,053	1,242	2,961	229	1,150
Kittery-II	Kittery, ME	---	921	1,835	530	219
Lancaster	Lancaster, PA	15,975	3,691	19,907	---	2,225
Lawrence	Lawrence, KS	---	1,013	5,542	439	681
LL Bean	North Conway, NH	---	1,894	3,351	---	128
Locust Grove	Locust Grove, GA	---	2,609	11,801	---	6,928
Manchester	Manchester, VT	---	500	857	---	66
Martinsburg	Martinsburg, WV	---	800	2,812	---	1,252
McMinnville	McMinnville, OR	---	1,071	8,162	5	517
Pigeon Forge	Pigeon Forge, TN	---	299	2,508	---	953
Riverhead	Riverhead, NY	---	---	36,374	--	190
Riverhead II	Riverhead, NY	---	5191	14,837	---	---
San Marcos	San Marcos, TX	10,349	2,012	9,440	17	5,869
Seymour	Seymour, IN	8,299	1,794	13,249	---	92
Stroud	Stroud, OK	3,875	446	7,048	---	4,734
Terrell	Terrell, TX	---	805	13,432	---	3,905
West Branch	West Branch, MI	6,932	350	3,428	120	3,250
Williamsburg	Williamsburg, IA	17,184	706	6,781	716	8,745
Totals		\$90,704	\$39,991	\$254,583	\$3,348	\$60,439

<CAPTION>

Description	Gross Amount Carried at Close of Period 12/31/96 (1)	Life Used to Compute
Depreciation		

Outlet Center Name	Location	Land	Building & Fixtures	Total	Accumulated Depreciation	Date of Construction	in Income Statement
---	---	---	---	---	---	---	---
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	\$3,941	\$13,416	\$17,357	\$1,350	1995	(2)
Boaz	Boaz, AL	616	3,059	3,675	1,057	1988	(2)
Bourne	Bourne, MA	899	1,546	2,445	549	1989	(2)
Branch	N. Branch, MN	672	8,052	8,724	1,738	1992	(2)
Branson	Branson, MO	4,557	28,126	32,683	2,952	1994	(2)
Casa Grande	Casa Grande, AZ	753	10,229	10,982	2,601	1992	(2)
Clover	North Conway, NH	393	721	1,114	294	1987	(2)
Commerce I	Commerce, GA	1,247	8,632	9,879	2,526	1989	(2)
Commerce II	Commerce, GA	1,840	16,600	18,440	788	1995	(2)
Gonzales	Gonzales, LA	1,021	19,412	20,433	3,423	1992	(2)
Kittery-I	Kittery, ME	1,471	4,111	5,582	1,597	1986	(2)
Kittery-II	Kittery, ME	1,451	2,054	3,505	644	1989	(2)
Lancaster	Lancaster, PA	3,691	22,132	25,823	2,222	(3)	(2)
Lawrence	Lawrence, KS	1,452	6,223	7,675	978	1993	(2)
LL Bean	North Conway, NH	1,894	3,479	5,373	1,247	1988	(2)
Locust Grove	Locust Grove, GA	2,609	18,729	21,338	1,583	1994	(2)
Manchester	Manchester, VT	500	923	1,423	315	1988	(2)
Martinsburg	Martinsburg, WV	800	4,064	4,864	1,309	1987	(2)
McMinnville	McMinnville, OR	1,076	8,679	9,755	1,535	1993	(2)
Pigeon Forge	Pigeon Forge, TN	299	3,461	3,760	1,215	1988	(2)
Riverhead	Riverhead, NY	---	36,564	36,564	3,551	1993	(2)
Riverhead II	Riverhead, NY	5,191	14,837	20,028	---	(4)	(2)
San Marcos	San Marcos, TX	2,029	15,309	17,338	2,108	1993	(2)
Seymour	Seymour, IN	1,794	13,341	15,135	1,581	1994	(2)
Stroud	Stroud, OK	446	11,782	12,228	2,674	1992	(2)
Terrell	Terrell, TX	805	17,337	18,142	1,978	1994	(2)
West Branch	West Branch, MI	470	6,678	7,148	1,511	1991	(2)
Williamsburg	Williamsburg, IA	1,422	15,526	16,948	3,581	1991	(2)
Totals		\$43,339	\$315,022	\$358,361	\$46,907		

</TABLE>

- (1) Aggregate cost for federal income tax purposes is approximately \$346,583,000.
- (2) The Company generally uses estimated lives ranging from 25 to 33 years for buildings and 15 years for land improvements. Tenant finishing allowances are depreciated over the initial lease term.
- (3) Acquired in October 1994.
- (4) Under construction at December 31, 1996.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)
For the Year Ended December 31, 1996
(Amounts in thousands)

The changes in total real estate for the three years ended December 31, 1996 are as follows:

	1994	1995	1996
<S>	<C>	<C>	<C>
Balance, beginning of year	\$137,666	\$292,406	\$325,881
Acquisition of real estate	23,598	---	---
Improvements	131,142	33,475	32,511
Dispositions and other	---	---	(31)
Balance, end of year	\$292,406	\$325,881	\$358,361

</TABLE>

The changes in accumulated depreciation for the three years ended December 31, 1996 are as follows:

	1994	1995	1996
<S>	<C>	<C>	<C>
Balance, beginning of year	\$10,436	\$18,007	\$31,458
Depreciation for the period	7,571	13,451	15,449
Dispositions and other	---	---	---
Balance, end of year	\$18,007	\$31,458	\$46,907

</TABLE>

ARTICLES OF AMENDMENT
OF
TANGER FACTORY OUTLET CENTERS, INC.

The undersigned corporation hereby submits these Articles of Amendment for the purpose of amending its Amended and Restated Articles of Incorporation.

1. The name of the corporation is TANGER FACTORY OUTLET CENTERS, INC.
2. The following amendments to the Amended and Restated Articles of Incorporation of the corporation were adopted by its shareholders on May 9, 1996 in the manner prescribed by law:

Paragraph "A" of Article II of the Corporation's Amended and Restated Articles of Incorporation shall be amended to read as follows:

A. The number of shares that the corporation is authorized to issue is 100 million shares, divided into classes, as follows: 50 million Common Shares with a par value of \$0.01 per share (the "Common Shares"); 25 million Excess Shares with a par value of \$0.01 per share (the "Excess Shares"); one million Preferred Shares with a par value of \$0.01 per share (the "Class A Preferred Shares"); eight million Class B Preferred Shares with a par value of \$0.01 per share (the "Class B Preferred Shares"); eight million Class C Preferred Shares with a par value of \$0.01 per share (the "Class C Preferred Shares"); and eight million Class D Preferred Shares with a par value of \$0.01 per share (the "Class D Preferred Shares"). The preferences, limitations and relative rights of each class of shares are as set forth in succeeding paragraphs of this Article II.

Paragraph "D" of Article II of the Corporation's Amended and Restated Articles of Incorporation shall be amended to read as follows:

D. Preferred Shares. The Class A Preferred Shares shall have the preferences, limitations and relative rights set forth in Paragraph H of this Article II. Prior to the issuance of Class B, C or D Preferred Shares, the Board of Directors of the corporation shall determine, in whole or in part, the preferences, limitations and relative rights of the shares in that class subject to the following limitations: (1) the shares of any such other class of preferred shares may rank on a parity with or junior to Class A Preferred Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up

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but may not have rights or preferences with respect to distributions or to dissolution that are prior or superior to the Class A Preferred Shares and (2) the preferences, limitations and relative rights of such other class of preferred shares shall not otherwise alter or abolish a preferential right of the Class A Preferred Shares.

This the 29th day of May, 1996.

TANGER FACTORY OUTLET CENTERS, INC.

BY: /s/ Rochelle Simpson
ROCHELLE SIMPSON, VICE PRESIDENT

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ARTICLES OF AMENDMENT
OF
TANGER FACTORY OUTLET CENTERS, INC.

The undersigned corporation hereby submits these Articles of Amendment for the purpose of amending its Amended and Restated Articles of Incorporation.

1. The name of the corporation is TANGER FACTORY OUTLET CENTERS, INC.
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Paragraph "A" of Article II of the Corporation's Amended and Restated Articles of Incorporation shall be amended to read as follows:

A. The number of shares that the corporation is authorized to issue is 100 million shares, divided into classes, as follows: 50 million Common Shares with a par value of \$0.01 per share (the "Common Shares"); 25 million Excess Shares with a par value of \$0.01 per share (the "Excess Shares"); one million Preferred Shares with a par value of \$0.01 per share (the "Class A Preferred Shares"); eight million Class B Preferred Shares with a par value of \$0.01 per share (the "Class B Preferred Shares"); eight million Class C Preferred Shares with a par value of \$0.01 per share (the "Class C Preferred Shares"); and eight million Class D Preferred Shares with a par value of \$0.01 per share (the "Class D Preferred Shares"). The preferences, limitations and relative rights of each class of shares are as set forth in succeeding paragraphs of this Article II.

Paragraph "D" of Article II of the Corporation's Amended and Restated Articles of Incorporation shall be amended to read as follows:

D. Preferred Shares. The Class A Preferred Shares shall have the preferences, limitations and relative rights set forth in Paragraph H of this Article II. Prior to the issuance of Class B, C or D Preferred Shares, the Board of Directors of the corporation shall determine, in whole or in part, the preferences, limitations and relative rights of the shares in that class subject to the following limitations: (1) the shares of any such other class of preferred shares may rank on a parity with or junior to Class A Preferred Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up

-1-

but may not have rights or preferences with respect to distributions or to dissolution that are prior or superior to the Class A Preferred Shares and (2) the preferences, limitations and relative rights of such other class of preferred shares shall not otherwise alter or abolish a preferential right of the Class A Preferred Shares.

This the 29th day of May, 1996.

TANGER FACTORY OUTLET CENTERS, INC.

BY: /s/ Rochelle Simpson
ROCHELLE SIMPSON, VICE PRESIDENT

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LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

LOAN AGREEMENT

dated as of

November 18, 1996

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

and

SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 18, 1996, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership (which, together with its Subsidiaries from time to time, is referred to as the "Debtor"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, Debtor applied for the issuance of a commitment for a line of credit, and the Bank has agreed to provide such credit facility to Debtor subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereunder set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Defined Terms. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Adjusted Unencumbered Assets" shall mean 100% of Debtor's non-operating cash and cash equivalents which are not subject to any lien, or security interest, plus 60% of Debtor's income earning Undepreciated Real Estate Assets which are not subject to any Encumbrance.

"Affiliate" of any specified Person means (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) any other Person that owns, directly or indirectly, 10% or more of such specified Person's Voting Stock or any executive officer, director, manager or trustee of any such specified Person or other Person or, with respect to any natural person, any person having a relationship with such person by blood, marriage or adoption not more remote than first cousin. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Loan Agreement, as the same may from time to time be amended, modified or supplemented and in effect.

"Applicable Increment" shall mean, with respect to the applicable Interest Period, the number of basis points to be added to the LIBOR

Rate to calculate the LIBOR Adjusted Rate, as determined under Section 2.11.

"Business Day" means a day other than a Saturday, Sunday or legal holiday for commercial banks under the laws of the State of Alabama or a day on which national banks are authorized to be closed in Birmingham, Alabama, and if such day relates to a Conversion to, or Continuation of, or Advance subject to, the LIBOR Adjusted Rate, shall also be a day on which dealings in Dollar deposits are carried out in the interbank market selected by Bank for purposes of setting the LIBOR Rate.

"Centers" shall mean Tanger Factory Outlet Centers, Inc., a North Carolina corporation, the sole general partner of Debtor.

"Commitment" shall mean the agreement by the Bank to Debtor to make Loan in accordance with the provisions of Article II hereof in an aggregate principal amount not to exceed the Commitment Amount.

"Commitment Amount" shall mean the amount not less than \$15,000,000.00 as set forth on Exhibit "A" hereto, as amended from time to time.

"Continue", "Continuation" and "Continued" shall mean the continuation pursuant to Section 2.6 hereof of the LIBOR Adjusted Rate or the Prime Rate accruing on the Note from one Interest Period to the next Interest Period.

"Convert", "Conversion" and "Converted" shall mean a conversion pursuant to Section 2.6 hereof of the interest rate then accruing on the Note to the LIBOR Adjusted Rate or to the Prime Rate.

"Debt" shall mean any indebtedness, whether or not contingent, in respect of (i) borrowed money evidenced by bonds, notes, debentures or similar instruments, (ii) indebtedness secured by any Encumbrance existing on property, (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property which would be reflected on a consolidated balance sheet as a capitalized lease in accordance with GAAP, in the case of items of indebtedness under (i) through (iii) above to the extent that any such items (other than letters of credit) would appear as a liability on a consolidated balance sheet in accordance with GAAP, and also includes, to the extent not

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otherwise included, any obligation to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another person.

"Debt Service" shall mean regularly scheduled principal and interest payments, exclusive of balloon maturity payments on all Liabilities, and the current portion of all long-term leases or lease agreements required to be capitalized under GAAP.

"Debt Service Coverage Ratio" as calculated quarterly for the most recent four quarters then ending shall mean (a) EBITDA divided by (b) Debt Service.

"Debtor" shall mean Tanger Properties Limited Partnership, a North Carolina limited partnership, together with its successors and assigns and together with its Subsidiaries from time to time.

"Default" shall mean an event which with the giving of notice or the lapse of time (or both) would constitute an Event of Default hereunder.

"Dollars" and "\$" shall mean lawful money of the United States of America.

"EBITDA" shall mean Debtor's income before minority interest plus interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied, calculated quarterly on a rolling four-quarters basis

"Encumbrances" shall mean individually, collectively and interchangeably any and all presently existing and/or future mortgages or liens (other than those that are fully bonded by deposit of cash or by commercial surety reasonably acceptable to the Bank) or similar charges, contractual and/or statutory charges on real property.

"Environmental Laws" shall mean the Comprehensive Environmental

Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., any similar laws or laws relating to the environment enacted in any State in which Debtor owns real properties, and any applicable Governmental Requirements or regulations adopted pursuant to any of the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Liabilities" shall have the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time

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to time.

"Eurodollar Rate Reserve Percentage" for any Interest Period means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks of the Federal Reserve System with deposits exceeding \$1,000,000,000 with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" shall mean individually, collectively and interchangeably any of the Events of Default set forth below in Section 7.1 hereof.

"Funds from Operations" for any period shall mean the Net Income of the Debtor and its Subsidiaries for such period before giving effect to depreciation and amortization uniquely significant to real estate, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses with respect to the disposition of investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Debtor's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis.

"GAAP" shall mean, at any time, accounting principles generally accepted in the United States as then in effect.

"Governmental Requirement" shall mean any applicable state, federal or local law, statute, ordinance, code, rule, regulation, order or decree.

"Guaranty" shall mean an unconditional continuing guaranty of the Indebtedness executed by Centers.

"Hazardous Materials" shall mean

(i) any "hazardous waste" in quantities as defined by either the Resource Conservation and Recovery Act of 1976 (42 U.S.C. ss. 6901 et seq.), or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(ii) any "hazardous substance" in quantities as defined by either the Comprehensive Environmental Response, Compensation and Liability Act of 1980

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(42 U.S.C. ss. 9601 et seq.) ("CERCLA") or any similar laws or laws relating to the environment enacted in any State in which Debtor owns real property, as amended from time to time, and regulations promulgated thereunder;

(iii) any "regulated substance" as that term is defined under the Resource Conservation and Recovery Act, 42 U.S.C. ss. 6991 et seq.;

(iv) asbestos in violation of Governmental Requirement;

(v) polychlorinated biphenyls in violation of Governmental Requirement;

(vi) any substance the presence of which on Debtor's properties is prohibited by Governmental Requirement from time to time in force and effect relating to such properties; and

(vii) any other substance which by any such rule or regulation requires special handling in its collection, storage, treatment or disposal.

"Hazardous Materials Contamination" shall mean the contamination in quantities in violation of any applicable Governmental Requirement (whether presently existing or hereafter occurring) in, on, or under any of the Debtor's properties, including the improvements thereon, by Hazardous Materials.

"Indebtedness" shall mean, at any time, the indebtedness of Debtor evidenced by the Note in principal, interest, costs, expenses and reasonable attorneys' fees and all other fees and charges, together with all other indebtedness and costs and expenses for which Debtor is responsible under this Agreement or any of the Related Documents.

"Interest Period" shall mean in connection with each Advance for which the LIBOR Adjusted Rate is applicable, a period of one, two, three, four or six months as selected by the Debtor in the notice of borrowing, or to Continue, or to Convert for such Advance subject to the following:

(i) the initial Interest Period for any Advance shall commence on the date of such Advance;

(ii) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day, provided that if any Interest Period in respect of an Advance would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

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(iii) any Interest Period in respect of an Advance which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iv) below, end on the last Business Day of a calendar month;

(iv) no Interest Period shall extend beyond the Termination Date.

"LIBOR Event" shall have the meaning specified in Section 2.7(a) hereof.

"LIBOR Adjusted Rate" shall mean with respect to the applicable Interest Period, the per annum rate of interest equal to the Applicable Increment added to the LIBOR Rate.

"LIBOR Rate" shall mean with respect to the applicable Interest Period, the annual rate of interest (rounded upward to the nearest whole multiple of 1/100 of 1%, if such rate is not such a multiple) determined by the Bank, at or before 10:00 a.m. Birmingham, Alabama time on the first day of such Interest Period, to be the annual rate of interest at which deposits of Dollars are offered by prime banks in whatever London interbank market may be selected by the Bank in its sole discretion, acting in good faith, at the time of determination and in accordance with the then existing practice in such market for delivery on the first day of such Interest Period in immediately available funds and having a maturity equal to such Interest Period in an amount equal (or as nearly equal as may be) to the applicable Loan.

"LIBOR Rate Advances" shall mean Advances bearing interest calculated on the basis of the LIBOR Adjusted Rate.

"Loan" shall mean the loan made by Bank to Debtor pursuant to this Agreement.

"Material Adverse Change" shall mean, with respect to Debtor, an event which causes a material adverse effect on the business, assets, operations or condition (financial or otherwise) of Debtor.

"Net Income" for any period shall mean the amount of consolidated net income (or loss) of the Debtor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Net Operating Income" for any period shall mean Net Income of the Debtor (i) plus amounts which have been deducted for (a) interest on Debt of the Debtor (b) provision for taxes of the Debtor based on income, (c) amortization of debt discount, (d) depreciation and amortization, (e) the effect of any noncash charge resulting from a change in accounting principles in determining Net Income for such period, (f) amortization of deferred charges and (g) provisions for or realized losses on

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properties and (ii) less amounts which have been included for gains on properties.

"Net Worth" shall mean, at any time, the sum obtained by subtracting Total Liabilities from Total Assets.

"Note" shall mean that certain promissory note made by Debtor evidencing the Loan, in the form of Exhibit "B" hereto, together with any and all extensions, renewals, modifications and substitutions therefor.

"Person" means any individual, partnership, firm, corporation, association, joint venture, joint stock company, trust, unincorporated organization or other entity, or any governmental or political subdivision or agency, department, or instrumentality thereof.

"Prime Rate" shall mean the per annum rate of interest equal to 1/4% less than the annual rate of interest established from time to time by the Bank as its "base" lending rate or "Base Rate", whether or not that rate is published, and which is not necessarily the lowest rate charged by such bank, such rate to be adjusted automatically on and as of the effective date of any change in such Prime Rate. In the event Bank fails or ceases to publish a Base Rate or is dissolved, merged, or otherwise is not in existence, Bank shall select Citibank, N.A. or, if such bank fails or ceases to publish a prime or base rate or is dissolved, merged, or otherwise is not in existence, Bank shall select another large bank in New York City as the basis for computation of the Prime Rate.

"Prime Rate Advances" shall mean Advances bearing interest calculated on the basis of the Prime Rate.

"Related Documents" shall mean and include individually, collectively, interchangeably and without limitation the Note, the Guaranty, and all promissory notes, credit agreements, loan agreements, guaranties, and all other instruments and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

"Secured Debt" shall mean any Debt secured by any Encumbrance or by any security interest, lien, privilege, or charge on any personal property.

"Subsidiaries" shall mean at any date with respect to any Person all the corporations of which such Person at such date, directly or indirectly, owns 50% or more of the outstanding capital stock (excluding directors' qualifying shares) and all partnerships, limited liability companies, or other entities of which such Person at such date, directly or indirectly, owns 50% or more of the partnership, limited liability company, or other equity interests.

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"TL/TA Ratio" shall mean, at any time, the ratio of Total Liabilities to Total Assets.

"Termination Date" shall mean the earlier to occur of (i) the date set forth on Exhibit "C" hereto, as amended from time to time, or (ii) the date of termination of the Loan pursuant to Article VII hereof.

"Total Assets" shall mean, at any date, the sum of (i) Undepreciated Real Estate Assets and (ii) all other assets of Debtor determined in accordance with GAAP (but excluding intangibles and accounts receivables).

"Total Committed Unsecured Debt" shall mean, at any time, all of Debtor's unsecured Debt that is outstanding and all Debt which Debtor

has the option (whether or not such option is subject to the satisfaction of conditions) to borrow or request be advanced.

"Total Liabilities" shall mean, at any date, the sum, after eliminating inter-company items, of all liabilities (including, without limitation, deferred taxes) other than minority interests, of Debtor at such date, determined in accordance with GAAP consistently applied.

"Undepreciated Real Estate Assets" as of any date shall mean the cost (original cost plus capital improvements) of real estate assets of the Debtor on such date, before depreciation and amortization determined in accordance with GAAP.

"Voting Stock" means stock having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees (or persons performing similar functions), provided that stock that carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with GAAP.

ARTICLE II

THE LOAN

Section 2.1. The Commitment. Subject to the terms and conditions of this Agreement, the Bank agrees to extend credit to Debtor during the period from the date hereof until the Termination Date by making a Loan (each funding of which is herein referred to as an "Advance", and collectively as "Advances") to Debtor from time to time during the period from the date hereof to and including the Termination Date; provided, that in the event, at any time, and from time to time, the sum of

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outstanding Loan exceeds the Commitment Amount, Debtor shall prepay the Loan by such an amount to cause the sum of the Loan outstanding to equal the Commitment Amount. Within the limits of the Commitment to Debtor hereunder and subject to the terms and conditions of this Agreement, Debtor may borrow Advances, repay Advances, and reborrow Advances, and the Bank shall only be obligated to lend Debtor an amount which will not cause the Commitment Amount to be exceeded and which will not cause the Loan to exceed the Commitment Amount.

Section 2.2. The Loan. Debtor's obligation to repay the Loan made by Bank shall be evidenced by the Note payable to the order of Bank in the principal sum of the Commitment Amount, with a final maturity of the Termination Date and bearing interest at the applicable LIBOR Adjusted Rate, or the Prime Rate, as set forth herein as in effect from time to time, and which shall be substantially in the form of Exhibit "B" hereto.

Section 2.3. Interest. Interest on the Note shall be payable in arrears on the fifteenth day of each calendar month commencing December 15, 1996, and on the Termination Date. Interest on the Note will be computed on a 365/360 simple interest basis. Interest shall accrue on the unpaid principal amount of the Loan for the period from and including the Closing Date to the date the Loan shall be paid in full at the following rates per annum:

(a) during each period that an Advance is subject to a Prime Rate election by Debtor, at the Prime Rate from time to time in effect computed on the outstanding balance of such portion;

(b) during each period that an Advance is subject to a LIBOR Rate election by Debtor, the LIBOR Adjusted Rate for such Interest Period computed on the outstanding balance of such portion.

Notwithstanding the foregoing, Debtor will pay to Bank interest at the applicable Post-Default Rate as defined in the Note on any principal of the Loan, or on any other amount payable by Debtor hereunder to Bank, which shall not be paid in full when due (whether at stated maturity, by acceleration or otherwise), for the period from and including the due date thereof to the date the same is paid in full, which interest shall be due and payable on demand.

Section 2.4. Principal Repayment. Principal and all accrued and unpaid interest shall be payable on the Termination Date; provided, however, in the event at any time the aggregate outstanding principal amount of the Loan to Debtor causes the Commitment Amount to be exceeded, Debtor shall immediately prepay the Note in an amount necessary to cause the aggregate principal amount of its unpaid Loan to not exceed the Commitment Amount.

Section 2.5 Additional Interest. Debtor shall pay to Bank, so long as

Bank shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar Liabilities, additional interest on the unpaid principal amount of the LIBOR Rate Advances which shall be determined based on reserves actually maintained by Bank pursuant to the requirements imposed by Regulation D of such

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Board of Governors with respect to Eurocurrency Liabilities, for so long as any LIBOR Rate Advances are outstanding at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBOR Rate for the Interest Period in effect from (ii) the rate obtained by dividing such LIBOR Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of Bank for such Interest Period, payable promptly, and in any event within 10 Business Days after Debtor receives notice of such additional interest from Bank as provided below. Such additional interest payable to Bank shall be determined by Bank after the end of each Interest Period and Bank shall notify Debtor of such additional amount (such notice to include the calculation of such additional interest, which calculation shall be conclusive in the absence of error).

Section 2.6. Rate and Interest Period Elections. Not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the date of Debtor's request for an Advance, Debtor shall provide Bank with a written notice specifying the Prime Rate or the LIBOR Adjusted Rate as the applicable interest rate to accrue under Advances in an amount not less than that set forth on Exhibit "D". In the event Debtor chooses the LIBOR Adjusted Rate it shall also designate the applicable Interest Period of one, two, three, four, or six months. If for any reason Debtor fails to select an interest rate for any Advance or fails to continue the LIBOR Adjusted Rate beyond the Interest Period selected, such Advance shall bear interest at the Prime Rate from time to time in effect.

From time to time, Debtor shall have the right to convert to the LIBOR Adjusted Rate, provided (i) Debtor may not select an Interest Period having a maturity as of the date of Conversion later than the Termination Date, and (ii) the LIBOR Adjusted Rate shall remain in effect, and may not be Converted, until the end of the applicable Interest Period selected.

Notices by Debtor to Bank of Conversions and Continuations and of the duration of subsequent Interest Periods shall be irrevocable and binding on Debtor and shall be effective only if received by Bank not later than 3:00 p.m. (Birmingham, Alabama time) on the day before the first day of such Interest Period. Each such notice of Conversion or Continuation shall specify (a) the dollar amount of the Advance (which shall be not less than the applicable minimum set forth on Exhibit "D" hereto) to be Converted or Continued; (b) whether the applicable interest rate on such Advance is to be Converted or Continued to the Prime Rate or the LIBOR Adjusted Rate; (c) the effective date of Conversion or Continuation (which shall be a Business Day); and (d) the Interest Period, if the LIBOR Adjusted Rate is chosen. In the event that Debtor fails to properly or timely Convert or Continue, such portion of the Loan will be automatically Converted to the Prime Rate at the end of the then current Interest Period (if LIBOR Adjusted Rate is in effect). Notwithstanding the above, requests for Advances made no later than 10:00 a.m. (Birmingham, Alabama time) shall be funded on the same Business Day, provided the Prime Rate election is made with respect to such Advances.

Section 2.7. Change in Law; Increased Costs; Etc.

(a) Change of Law. If at any time Bank determines in good faith (which determination shall be conclusive absent manifest error) that any change in any applicable law, rule or regulation or

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in the interpretation, application or administration thereof makes it unlawful, or any Governmental Authority asserts that it is unlawful, for Bank to fund or maintain the Advances at the LIBOR Adjusted Rate (any of the foregoing determinations being a "LIBOR Event"), then the obligation of Bank hereunder to fund or maintain LIBOR Rate Advances shall be suspended as long as such LIBOR Event shall continue. Upon the occurrence of any LIBOR Event, and at any time thereafter so long as such LIBOR Event shall continue, Bank may exercise its aforesaid option by giving written notice thereof to Debtor, and the Advance shall thereafter bear interest at the Prime Rate.

(b) Increased Costs.

(1) If, after the date hereof, due to either (i) the introduction of or any change in or in the interpretation of any law of regulation or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law), or (iii) other acts or occurrences, there shall be any increase in the cost to Bank of agreeing to fund or maintain

Advances at the LIBOR Adjusted Rate (except to the extent already included in the determination of the applicable LIBOR Adjusted Rate) then Debtor shall from time to time, upon demand by Bank, pay Bank such additional amounts sufficient to compensate Bank for such increased cost and may make an alternate Interest election for the Advance then subject to the LIBOR Adjusted Rate, to be effective at the termination of the then current Interest Period. Any obligation of Bank hereunder to fund or continue the LIBOR Adjusted Rate applicable to any Advance shall be suspended as long as the events giving rise to such increased costs shall continue, and the Advance shall thereafter bear interest at the Prime Rate. Any request for payment under this Section 2.7(b) will be submitted to Debtor by Bank identifying with reasonable specificity the basis for and the amount of such interest cost, which information shall be conclusive and binding for all purposes, absent manifest error.

(2) Bank shall use its best efforts (consistent with its internal policies and legal and regulatory restrictions) to avoid or minimize any additional amounts that otherwise would be payable pursuant to this Section 2.7(b); provided that no such change or action shall be required to be made or taken if, in the reasonable judgment of Bank, such change would be disadvantageous to Bank.

(c) Funding Losses.

(1) Debtor will indemnify Bank against, and reimburse Bank on demand for, any net loss, cost or expense incurred or sustained by Bank (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Bank to fund or maintain Advances at the LIBOR Adjusted Rate) as a result of any payment, prepayment by Debtor (whether authorized or required hereunder) of all or a portion of the LIBOR Rate Advances on a day other than the last day of an Interest Period.

(2) In connection with any demand for payment under this Section 2.7(c), Bank shall deliver to Debtor a statement reasonably setting forth the amount and manner of determining such net loss, cost or expense, which statement shall be conclusive and binding for all purposes, absent error.

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Section 2.8. Manner and Notice of Borrowing Under the Commitment. Requests for Advances under the Commitment may be made by Debtor in person, in writing or through telephone calls to Bank and such requests shall be fully authorized by Debtor if made by any one of the persons designated by Debtor in writing to Bank. Debtor shall promptly confirm in writing all requests made in person or by telephone; provided, however, that failure to do so shall not relieve Debtor of the obligation to repay such Advance. Bank shall have the right, but not the obligation, to verify any telephone requests by calling the person who made the request at the telephone number designated by Debtor in writing to Bank. Requests for Advances must be in a minimum amount as set forth on Exhibit "D" hereto, and be received by not later than 3:00 p.m. Birmingham, Alabama time on the day before the proposed Advance. Not later than 3:00 p.m. (Birmingham, Alabama time) on the date of the proposed Advance, assuming all conditions of this Agreement for such Advance has been satisfied, Bank will (a) fund such Advance in the case of (y) below, or (b) commence to wire transfer such Advance in the case of (z) below. The amount thereof shall (y) be credited by Bank to the checking account maintained in the name of Debtor with Bank and the credit advice resulting therefrom shall be mailed to Debtor or (z) at the request of Debtor, Bank shall wire transfer the amount of the Advance as designated in writing from time to time by Debtor. Bank's copy of such credit advice indicating such deposit to the account of Debtor or Bank's receipt of a federal funds wire transfer number shall be deemed conclusive evidence of Debtor's indebtedness to Bank in connection with such borrowing. The aggregate outstanding amount of principal and interest due by Debtor at any given time under the Commitment shall be and constitute the indebtedness of Debtor to the Bank under the Note. When each Advance is made by Bank to Debtor hereunder, Debtor shall be deemed to have renewed and reissued its Note for the amount of the Advance plus all amounts due by Debtor to Bank under its Commitment immediately prior to such Advance.

Section 2.9. Additional Cost of Loan. If any legislative authority, other governmental authority, court, central bank or any other authority to which Bank is subject, shall at any time impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, capital adequacy or similar requirement against assets of, deposits with or for the account of, or credit extended by Bank, or shall impose on Bank any law, regulation, rule, directive, instruction, guideline, requirement, judgment, decision or condition of any type or kind whatsoever affecting the Indebtedness or the obligation of Bank to make the Loan or any Advance thereunder, and the result of any of the foregoing is to increase, directly or indirectly, the cost to Bank of making or maintaining the Indebtedness to Debtor, or to reduce, directly or indirectly, the amount of the sum received or receivable by Bank under this Agreement or under the Note, then Debtor shall become obligated to Bank for all such amounts as will compensate Bank for such increased cost or reduction in revenues incurred as a result

thereof. Bank will promptly notify Debtor of any event of which it has knowledge, occurring after the date hereof, which will entitle Bank to compensation pursuant to this Section 2.9. A certificate of Bank claiming compensation under this Section 2.9 and setting forth the additional amount or amounts to be paid to it hereunder and the reasons therefor shall be conclusive in the absence of error. Thereafter, Debtor shall pay to the Bank, upon demand from time to time any amounts necessary to compensate the Bank for such increased cost of reduction in revenues incurred as a result of any such events. In the event that Debtor cancels this Agreement and the Commitment because it believes such

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costs to be excessive and repays the Indebtedness in full prior to the due date of the next annual commitment fee, Debtor shall not be liable for such additional commitment fee; provided, in no event shall Debtor be entitled to a refund of any amounts previously paid as commitment fee.

Section 2.10. Commitment Fee; Credit Fee. Debtor agrees to pay to Bank (a) on the date hereof and on each anniversary of the date hereof, in advance an annual commitment fee of 0.25% of Commitment Amount, and (b) in arrears due ten days after receipt of invoice from the Bank prepared as of the last day of December, March, June and September and on the Termination Date, commencing December 31, 1996, a quarterly credit fee equal to 0.125% per annum of the average unused portion of the Commitment Amount. The commitment fees payable pursuant to (a) shall be pro-rated in the event that the remaining term of the Loan is less than one (1) year.

Section 2.11. Calculation of the Applicable Increment. The Applicable Increment shall be determined for each Interest Period on the first day of such Interest Period as follows:

If Debtor's TL/TA ratio is greater than or equal to 0.5, the Applicable Increment shall be 175 basis points;

If Debtor's TL/TA ratio is less than 0.5 but equal to or greater than 0.4, the Applicable Increment shall be 165 basis points;

If Debtor's TL/TA ratio is less than 0.4, the Applicable Increment shall be 150 basis points.

Debtor's TL/TA ratio shall be determined as of the most recently reported Financial Statement provided pursuant to Section 5.1 hereof.

Section 2.12. Debtor's Right to Terminate. At any time Debtor may prepay the Loan and any Advance thereunder in full and, at Debtor's option, terminate the Loan and this Agreement by written notice to Bank without termination fee or penalty (other than any payments due as a result of prepaying a LIBOR Rate Loan prior to the termination of the then applicable Interest Period) or obligation to pay further amounts of any kind to Bank.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1. Conditions Precedent to Advances. The obligation of Bank to make any Advance hereunder shall be subject to the satisfaction and the continued satisfaction of the following conditions precedent:

(a) Debtor shall have executed and delivered to Bank this Agreement, the Note, the Guaranty and all other documents required by this Agreement;

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(b) The representations and warranties of Debtor as set forth herein, or any Loan Document furnished to Bank in connection herewith, shall be and remain true and correct (except for any changes permitted under this Agreement or as to which Bank has previously consented in writing);

(c) Bank shall have received as of the execution of this Agreement a favorable legal opinion of general counsel to Debtor and Centers in form, scope and substance satisfactory to Bank;

(d) Bank shall have received certified resolutions of the general partner of Debtor authorizing the execution of all documents contemplated hereby;

(e) Bank shall have received certified resolutions of Centers authorizing the execution of the Guaranty;

(f) Bank shall have received all fees, charges and expenses which are

due and payable as specified in this Agreement;

(g) No Default or Event of Default shall exist or shall result from the making of the Loan or any Advance;

(h) Debtor shall have provided Bank with all financial statements, reports and certificates required by this Agreement;

(i) Bank's counsel shall have reviewed the partnership agreement of Debtor and shall be satisfied with the validity, due authorization and enforceability of all Loan Documents;

(j) Bank shall have received the commitment fee for the first twelve months of the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to the Bank as follows:

Section 4.1. Authority. Debtor is a North Carolina limited partnership, duly formed, validly existing and in good standing under the laws of the State of North Carolina and is duly qualified and in good standing as a foreign corporation in all jurisdictions where the failure to qualify would have an adverse effect upon the ability of Debtor to perform its obligations under this Agreement and all Related Documents. Debtor has the power to enter into this Agreement and the Related Documents and to issue the Note. Debtor has the partnership power to perform its obligations hereunder and

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under the Related Documents. The making and performance by Debtor of this Agreement and the Related Documents have been duly authorized by all necessary partnership action, and do not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Debtor or the agreement of limited partnership of Debtor. The making and performance by Debtor of this Agreement and the Related Documents to which it is a party do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement or instrument to which Debtor is a party or by which Debtor may be bound or affected, or result in, or require, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as contemplated by the Related Documents) upon or with respect to any of the properties now owned or hereafter acquired by Debtor, and Debtor is not in default under or in violation of any such order, writ, judgment, decree, determination, award, indenture, agreement or instrument. Each of this Agreement and the Related Documents to which Debtor is a party constitute legal, valid and binding obligations of Debtor, enforceable in accordance with their terms.

Section 4.2. Financial Statements. The balance sheet of Debtor as of the date thereof, and the related statements of income and retained earnings for the year then ended, copies of which have been delivered to Bank, are complete and correct and fairly present the financial condition of Debtor as of the date thereof. Said financial statements were prepared in conformity with GAAP applied on a basis consistent with the preceding year. No Material Adverse Change has occurred since said date in the financial position or in the result of operations of Debtor in its business taken as a whole.

Section 4.3. Litigation. Other than as has been disclosed previously to Bank in writing, there are no legal actions, suits or proceedings pending or threatened against or affecting Debtor or any of its properties before any court or administrative agency (federal, state or local), which, if determined adversely to Debtor would constitute a Material Adverse Change to it, and there are no judgments or decrees affecting Debtor or its properties which are or may become an Encumbrance against such properties.

Section 4.4. Approvals. No authorization, consent, approval or formal exemption of, nor any filing or registration with, any governmental body or regulatory authority (federal, state or local), and no vote, consent or approval of the shareholders of Debtor is or will be required in connection with the execution and delivery by Debtor of the Agreement, the Note, or the Related Documents or the performance by Debtor of its obligations hereunder and under the Note and the Related Documents.

Section 4.5. Licenses. Debtor possesses adequate franchises, licenses and permits to own its properties and to carry on its business as presently conducted.

Section 4.6. Adverse Agreements. Debtor is not a party to any agreement or instrument, or subject to any charter or other restriction, materially and adversely affecting its business, properties, assets, or operations or its

condition (financial or otherwise), and Debtor is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would constitute a Material

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Adverse Change to Debtor.

Section 4.7. Default or Event of Default. No Default or Event of Default hereunder has occurred or is continuing or will occur as a result of the giving effect hereto.

Section 4.8. Employee Benefit Plans. Each employee benefit plan as to which Debtor may have any liability complies in all material respects with all applicable requirements of law and regulations, and (i) no Reportable Event (as defined in ERISA) has occurred with respect to any such plan, (ii) Debtor has not withdrawn from any such plan or initiated steps to do so, and (iii) no steps have been taken to terminate any such plan.

Section 4.9. Information. All information heretofore or contemporaneously herewith furnished by Debtor to Bank for the purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of Debtor to Bank will be, true and accurate in every material respect on the date as of which such information is dated or certified; and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

Section 4.10. Environmental Matters. Except as may have been disclosed in writing to Bank prior to the date hereof, no properties of Debtor has ever been, and ever will be so long as this Agreement remains in effect, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials, except in compliance with such Environmental Laws. Except as may have been disclosed in writing by Debtor to Bank, Debtor represents and warrants that it is in compliance with all Environmental Laws affecting it and its properties.

Section 4.11. Employer Identification Number; Name. Debtor's employer identification number is 56-1822494. Debtor has consistently utilized the name "Tanger Properties Limited Partnership."

Section 4.12. Survival of Representations and Warranties. Debtor understands and agrees that Bank is relying upon the above representations and warranties in making the above referenced Loan to Debtor. Debtor further agrees that the foregoing representations and warranties shall be continuing in nature and shall remain in full force and effect until such time as the Indebtedness shall be paid in full, or until this Agreement shall be terminated, whichever is the last to occur.

Section 4.13. No Margin Stock. Debtor is not engaged, and will not engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of the Loan hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors.

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ARTICLE V

AFFIRMATIVE COVENANTS

Debtor, covenants and agrees in favor of Bank as follows:

Section 5.1. Financial Statements. Debtor, will furnish or cause to be furnished to Bank:

(a) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, financial statements consisting of the balance sheets of Debtor as of the end of such quarter, and statements of income and statements of cash flow of Debtor for such quarter and for the fiscal year through such quarter, all certified by the Managing General Partner of Debtor, as having been prepared in accordance with GAAP consistently applied,

(b) within forty-five (45) days following the end of each calendar quarter commencing December 31, 1996, consolidating financial statements of Debtor and Centers consisting of balance sheets of Debtor and Centers as of the end of such quarter, and statements of income and statements of cash flow of Debtor and Centers for such quarter and for the fiscal year through such

quarter, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(c) as soon as available and in any event within one hundred twenty (120) days following the end of each fiscal year commencing beginning with the fiscal year ending December 31, 1996, and each fiscal year thereafter, consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all certified by the Managing General Partner of Debtor and the Chief Financial Officer of Centers as having been prepared in accordance with GAAP consistently applied,

(d) as soon as available and in any event within one hundred twenty (120) days following the close of fiscal year of Debtor audited, consolidated and consolidating financial statements of Debtor and Centers consisting of a balance sheet as at the end of such fiscal year and statements of income, and statement of cash flow for such fiscal year, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, certified by independent public accountants of recognized standing acceptable to Bank, and

(e) within forty-five (45) days after the end of each calendar quarter, a certificate signed by the Managing General Partner of Debtor and the Chief Financial Officer of Centers certifying that it has reviewed this Agreement and to the best of its knowledge no Default or Event of Default has occurred, or if such Default or Event of Default has occurred, specifying the nature and extent thereof, and that all financial covenants in this Agreement have been met, and providing a computation of all financial covenants contained herein.

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Section 5.2. Notice of Default; Litigation; ERISA Matters. Debtor will give written notice to Bank as soon as reasonably possible and in no event more than five (5) Business Days of (i) the occurrence of any Default or Event of Default hereunder of which it has knowledge, (ii) the filing of any actions, suits or proceedings against Debtor in any court or before any governmental authority or tribunal of which it has knowledge which could cause a Material Adverse Change with respect to Debtor, (iii) the occurrence of a reportable event under, or the institution of steps by Debtor to withdraw from, or the institution of any steps to terminate, any employee benefit plan as to which Debtor may have liability, or (iv) the occurrence of any other action, event or condition of any nature of which Debtor has knowledge and in good faith believes may cause, or lead to, or result in, any Material Adverse Change to Debtor.

Section 5.3. Maintenance of Partnership Existence and Properties. Debtor will (i) continue to engage in the business presently being operated by it; (ii) maintain its partnership existence and good standing in each jurisdiction in which it is required to be qualified; (iii) keep and maintain all franchises, licenses and properties necessary in the conduct of its business in good order and condition; and (iv) duly observe and conform to all material requirements of any governmental authorities relative to the conduct of its business or the operation of its properties or assets.

Section 5.4. Taxes. Debtor shall pay or cause to be paid when due, all taxes, local and special assessments, and governmental and other charges of every type and description, that may from time to time be imposed, assessed and levied Debtor and its properties. Debtor further agrees to furnish Bank with evidence that such taxes, assessments, and governmental and other charges due by Debtor have been paid in full and in a timely manner. Debtor may withhold any such payment or elect to contest any lien if Debtor is in good faith conducting an appropriate proceeding to contest the obligation to pay.

Section 5.5. Required Insurance. Debtor shall maintain insurance with insurance companies in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which each of its properties is located, including, but not limited to property, liability, business interruption, and flood insurance, and as shall be reasonably satisfactory to Bank.

Debtor agrees, if requested by Bank to provide Bank with originals or certified copies of such policies of insurance. Debtor further agrees, if requested by Bank to furnish Bank with copies of all renewal notices and, if requested by Bank, with copies of receipts for paid premium.

Section 5.6. Payment and Performance. Debtor shall duly and punctually pay and perform its obligations under the Note, this Agreement (as the same may at any time be amended or modified and in effect) and under each of the Related Documents, in accordance with the terms hereof and thereof.

Section 5.7. Compliance with Environmental Laws. Debtor shall comply with and shall cause all of its employees, agents, invitees or sublessees to

respect to the disposal of industrial refuse or waste, and/or the discharge, procession, treatment, removal, transportation, storage and handling of Hazardous Materials, and pay immediately when due from Debtor the cost of removal of any such from, and keep its properties free of any lien imposed pursuant to any such laws, rules, regulations or orders.

Regardless of whether any Event of Default hereunder shall have occurred and be continuing, Debtor (i) releases and waives any present or future claims against Bank for indemnity or contribution in the event Debtor becomes liable for remediation costs under any Environmental Laws, and (ii) agrees to defend, indemnify and hold harmless Bank from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys fees and remedial costs), suits, administrative orders, agency demand letters, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the termination of this Agreement) be paid, incurred, or suffered by, or asserted against Bank by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, or release from or onto the property of Debtor of any hazardous materials, wastes or conditions regulated by any Environmental Laws, contamination resulting therefrom, or arising out of, or resulting from, the environmental condition of such property or the applicability of any Environmental Laws not caused by Bank, Bank's employees or agents (the costs and/or liabilities described in (i) and (ii) above being hereinafter referred to as the "Liabilities"). The covenants and indemnities contained in this Section 5.7 shall survive termination of this Agreement.

Section 5.8. Further Assurances. Debtor will, at any time and from time to time, execute and deliver such further instruments and take such further action as may reasonably be requested by Bank, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement or the Loan Documents.

Section 5.9. Financial Covenants. Debtor shall comply with the following covenants and ratios:

(a) Debtor will not permit its ratio of Debt to Total Assets to exceed 0.6:1.0.

(b) Debtor will not permit its ratio of its Secured Debt to Total Assets to exceed 0.4:1.0.

(c) Debtor will maintain its Debt Service Ratio at not less than 2.0:1.0, computed on a rolling four-quarter average.

(d) Debtor shall maintain Adjusted Unencumbered Assets equal to its Total Committed Unsecured Debt.

(e) Debtor shall maintain Net Worth, inclusive of minority interests, equal to or in excess of \$120,000,000.00.

(f) Debtor shall not declare or pay (or set aside reserves for payment of) any dividends or distributions or make any shareholder/affiliate loans; provided, however, that Debtor may make distributions to its partners in any fiscal year period not in excess of its Funds from Operations, measured as of the end of each of Debtor's fiscal years.

Section 5.10. Operations. Debtor shall conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state and municipal laws, ordinances, rules and regulations respecting its properties, charters, businesses and operations, including compliance with all minimum funding standards and other requirements of ERISA of 1974, and other laws applicable to any employee benefit plans which they may have.

Section 5.11. Employee Benefit Plans. So long as this Agreement remains in effect, Debtor will maintain each employee benefit plan as to which they may have any liability, in compliance with all applicable requirements of law and regulations.

Section 5.12 Use of Proceeds. Debtor shall use the proceeds of the Loan solely for construction of additional factory outlet centers, acquisition of existing factory outlet centers, expansion phases of existing centers, and for general working capital purposes.

ARTICLE VI

NEGATIVE COVENANTS

Debtor agrees in favor of Bank as follows:

Section 6.1. Limitations on Fundamental Changes. Without the prior written consent of Bank, Debtor shall not change the nature of its business, or form any subsidiary the effect of which would have a material adverse effect on Debtor's financial condition, nor shall it enter into any transaction of merger or consolidation the effect of which would have a material adverse effect on Debtor's financial condition, or liquidate or dissolve itself (or suffer any liquidation or dissolution).

Section 6.2. Disposition of Assets. Except for leases with tenants in the ordinary course of business, Debtor shall not convey, sell, lease, assign, transfer or otherwise dispose of, any of its properties whether now owned or hereafter acquired except property disposed of in the ordinary course of business, provided that, if such property is to be replaced, the net cash proceeds of each such transaction are applied to obtain a replacement item or items within 30 days of the disposition thereof. Without limitation of other transfers that may be deemed to be in the ordinary course of business for the purposes hereof, the transfer during any annual period, commencing on the date hereof or any anniversary hereof, of (a) properties having an aggregate value less than the lesser of (i) \$30,000,000.00 or (ii) 10% of Total Assets, or (b) outparcels of developed or acquired factory outlet centers, shall be deemed to be in the ordinary course of business.

Section 6.3. Other Agreements. Debtor will not enter into any agreement containing any provision which would be violated or breached by the performance of its obligations hereunder or under any instrument or document delivered or to be delivered by it hereunder or in connection herewith.

Section 6.4. Transactions with Affiliates. Debtor will not enter into any agreement with any Affiliates or Subsidiaries except to the extent that such agreements are commercially reasonable which provide for terms which would normally be obtainable in an arm's length transaction with an unrelated third party.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default:

Default Under the Indebtedness. Should Debtor default in the payment of principal or interest under the Indebtedness of Debtor and such default shall not be cured within ten days of the occurrence thereof.

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Default Under this Agreement. Should Debtor violate or fail to comply fully with any of the terms and conditions of, or default under, this Agreement and such default not be cured within thirty days after Debtor has knowledge of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required hereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Borrower shall have an additional reasonable period of time in which to cure said default).

Default Under the Guaranty. Should Centers default in the terms of the Guaranty, or should Centers assert the invalidity, unenforceability, or uncollectability of the Guaranty and such default not be cured within thirty days after Centers have knowledge of the occurrence thereof (provided, however, if such default cannot with due diligence be cured within said 30 days and further provided that Centers shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Centers shall have an additional reasonable period of time in which to cure said default).

Default Under Other Agreements. Should any event of default occur or exist under any of the Related Documents or should Debtor violate, or fail to comply fully with, any terms and conditions of any of the Related Documents and such default not be cured within thirty days of the occurrence thereof (provided, however, that no cure period shall be available for a default in the obligation to maintain insurance coverages required thereby) (provided further, however, if such default cannot with due diligence be cured within said 30 days

and further provided that Debtor shall have promptly commenced to cure said default within such 30 days and diligently pursues the same to completion Debtor shall have an additional reasonable period of time in which to cure said default.

Default in Favor of Third Parties. The Debtor or Centers shall fail to make any payment of principal of or interest on (i) any recourse Debt of the Debtor or Centers of \$5,000,000 or more in the aggregate (other than any Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; or (ii) any non-recourse Indebtedness of the Debtor or Centers of \$10,000,000 or more in the aggregate (other than Debt under this Agreement, the Note, or the Related Documents) within the applicable cure period; and if the effect of such failure described in subclause (i) or (ii) is to accelerate, or to permit the holder of such aggregate Debt or any other Person to accelerate, the maturity of such Debt; or such Debt shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity.

Management. Should a change occur in Debtor's Management Team (hereinafter defined) and Bank in its reasonable judgment shall determine that such change may lead to a Material Adverse Change in Debtor. As used herein, Debtor's Management Team shall mean any of the President or Chairman of the Board of Centers or the senior financial or operating officers of the Debtor. Debtor shall have thirty days after notice from Bank of default to cure any default under this subparagraph.

Insolvency. The following occurrences shall constitute an Event of Default hereunder:

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(a) Filing by Debtor or Centers of a voluntary petition or any answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing, or any action by Debtor or Centers consenting to, approving of, or acquiescing in, any such petition or proceeding; the application by Debtor for, or the appointment by consent or acquiescence of, a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such person; the inability of Debtor or Centers or the admission by Debtor or Centers in writing, of its inability to pay its debts as they mature (the term "acquiescence" means the failure to file a petition or motion in opposition to such petition or proceeding or to vacate or discharge any order, judgment or decree providing for such appointment within sixty (60) days after the appointment of a receiver or trustee); or

(b) Filing of an involuntary petition against Debtor or Centers in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under any applicable bankruptcy act or law, or under any other insolvency act or law, now or hereafter existing and such petition remains undismissed or unanswered for a period of sixty (60) days from such filing; or the insolvency appointment of a receiver or trustee of Debtor or Centers for all or a substantial part of the property of any such Person and such appointment remains unvacated or unopposed for a period of sixty (60) days from such appointment, execution or similar process against any substantial part of the property of Debtor and such warrant remains unbonded or undismissed for a period of sixty (60) days from notice to Debtor of its issuance.

Dissolution Proceedings. Should proceedings for the dissolution or appointment of a liquidator of Debtor or Centers be commenced by Debtor or Centers.

False Statements. Should any representation or warranty of Debtor made in connection with the Indebtedness prove to be incorrect or misleading in any material respect when made or reaffirmed.

Material Adverse Change. Should a Material Adverse Change with respect to Debtor or Centers occur at any time and not be cured within 30 days of the occurrence thereof.

REIT. Should Centers lose its tax status as a REIT, or should Centers fail to keep and maintain all franchises, licenses and properties necessary in the conduct of its business, or shall fail to continue in its business as presently conducted, or should Centers acquire or create any additional subsidiaries or Affiliates, or should Centers fail to distribute to the Debtor the net proceeds of any public offerings of stock or securities or any other proceeds obtained by Centers in any public or private offerings.

Upon the occurrence of an Event of Default, the Commitment of Bank under this Agreement will terminate immediately (including any obligation to make any further loans to or for the account of Debtor), and, at Bank's option, the Note and all Indebtedness of Debtor will become immediately due and payable, all without notice of any kind to Debtor, except that in the case of type described in the "Insolvency" subsection above, such acceleration shall be

automatic and not optional.

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Section 7.2. Waivers by Debtor. Except as otherwise provided for in this Agreement and by applicable law, as pertains to the Indebtedness Debtor waives presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Bank on which Debtor may in any way be liable and hereby ratify and confirm whatever Bank may do in this regard.

ARTICLE VIII
[RESERVED]

ARTICLE IX

MISCELLANEOUS

Section 9.1. No Waiver; Modification in Writing. No failure or delay on the part of Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification or waiver of any provision of this Agreement or of the Note, nor consent to any departure by Debtor therefrom, shall in any event be effective unless the same shall be in writing signed by or on behalf of Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

Section 9.2. Payment on Non-Business Day. Whenever any payment to be made hereunder or on account of the Note shall be scheduled to become due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in computing interest and fees payable hereunder or on account of the Note.

Section 9.3. Addresses for Notices. All notices and communications provided for hereunder shall be in writing and, shall be mailed, by certified mail, return receipt requested, or delivered as set forth below unless any person named below shall notify the others in writing of another address, in which case notices and communications shall be mailed, by certified mail, return receipt requested, or delivered to such other address.

If to Bank:

SouthTrust Bank of Alabama,
National Association
420 North 20th Street
Birmingham, Alabama 35203

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Attention: Southeastern Banking

With copy to:

SouthTrust Bank of Alabama,
National Association
652 Morrison Blvd.
Suite 318
Charlotte, NC 28211
Attention: North Carolina Corporate

If to Debtor:

Tanger Properties Limited Partnership
c/o Tanger Factory Outlet Centers, Inc.
1400 W. Northwood Street
Greensboro, NC 27408
Attn: Mr. Stanley K. Tanger

With copy to:

Vernon Law Firm
P. O. Box 2958
522 S. Lexington Ave.

Section 9.4. Fees and Expenses. Debtor agrees to pay all fees, costs and expenses of Bank in connection with the preparation, execution and delivery of this Agreement and all Related Documents to be executed in connection herewith and subsequent modifications or amendments to any of the foregoing, including without limitation, the reasonable fees and disbursements of counsel to Bank, and to pay all costs and expenses of Bank in connection with the enforcement of this Agreement, the Note or the Related Documents, including reasonable legal fees and disbursements arising in connection therewith.

Section 9.5. Governing Law Jurisdiction. (a) This Agreement and the Note shall be deemed to be contracts made under the laws of the State of Alabama and for all purposes shall be construed in accordance with the laws of said State. (b) DEBTOR AND BANK HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF THE STATE COURTS OF ALABAMA AND THE FEDERAL COURTS IN ALABAMA AND AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR BROUGHT TO ENFORCE THE PROVISIONS OF THE NOTE, THIS AGREEMENT AND/OR THE RELATED DOCUMENTS SHALL BE BROUGHT IN ANY SUCH COURT IN ALABAMA HAVING SUBJECT MATTER JURISDICTION; PROVIDED HOWEVER, AT THE ELECTION OF BANK, ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN THE STATE COURTS OF NORTH CAROLINA AND THE FEDERAL

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COURTS IN NORTH CAROLINA.

Section 9.6. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, DEBTOR AND BANK HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH DEBTOR OR BANK MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (i) THE NOTE, (ii) THIS AGREEMENT, OR (iii) ANY RELATED DOCUMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEBTOR AND BANK, AND DEBTOR AND BANK HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEBTOR AND BANK EACH FURTHER REPRESENT THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 9.7. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Section 9.8. Consent to Loan Participation; Sales and Assignments (a) Debtor agrees that Bank may sell or transfer, whether now or later, one or more participation interests in the Indebtedness of Debtor arising pursuant to this Agreement to one or more purchasers. Bank may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Bank may have about Debtor or about any other matter relating to such Indebtedness, and Debtor hereby waives any rights to privacy it may have with respect to such matters. Debtor additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Debtor agrees that the purchasers of any such participation interest will be considered as the absolute owners of such interests in such Indebtedness.

(b) Bank may assign to other banks or other Persons that have a short-term unsecured debt rating of at least P-1 from Moody's Investor Service or A-1 from Standard & Poor Rating Group, in amounts not less than \$5,000,000.00, whether related or unrelated to Bank, all or a portion of its interest, rights and obligations under this Agreement; provided, however, that (i) provided no Event of Default is continuing, consent of the Debtor shall be required prior to any transfer becoming effective, which consent will not be unreasonably withheld, delayed or conditioned, (ii) the parties to each assignment shall execute an Assignment and Acceptance in form satisfactory to Bank (each an "Assignment and Acceptance"), together with the Note subject to such assignment; and (iii) each such assignment shall be of all of the assigning bank's rights and obligations under this Agreement. Upon such execution, delivery and acceptance, from and after the effective date specified in the

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Assignment and Acceptance, (a) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of the Bank hereunder and (b) the Bank hereunder shall, to the

extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto). Notwithstanding anything contained in this Agreement to the contrary, Bank may at any time assign all or any portion of its rights under this Agreement and the Note issued to it as collateral to a Federal Reserve Bank; provided that no such assignment shall release Bank from any of its obligations hereunder; provided further such Federal Reserve Bank shall not be considered a bank for purposes of this Agreement or the Related Documents.

(c) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, such Bank assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Related Documents or the execution, legality, validity enforceability, genuineness, sufficiency or value of this Agreement or any of the Related Documents or any other instrument or document furnished pursuant thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Debtor or the performance or observance by the Debtor of any of its obligations under this Agreement or any of the other Related Documents or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 5.1 hereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon the Bank assignor, based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Related Documents; and (v) such assignee agrees that it will perform in accordance with their terms all obligations set by the terms of this Agreement and the Related Documents as are required to be performed by it as Bank.

(d) Bank's right to sell a participation under Section 9.8 (a), and Debtor's consent given with respect to Section 9.8(b), is conditioned on the following: (i) any transferee of information must protect and maintain all disclosed information, including but not limited to tenant names and sales data, confidential and such information may be used for no other purpose other than evaluating the purchase of participation interests; (ii) every transferee must execute an appropriate confidentiality/use agreement prior to Bank delivering to such transferee any information; and (iii) Bank must provide Debtor a copy of such signed confidentiality/use agreement prior to making disclosure to such transferee.

Section 9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Debtor and the Bank and their respective successors and assigns; provided, however, that the Debtor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank, and any such assignment or transfer without such a consent shall be null and void.

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Section 9. 10. Headings. Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

Section 9.11. Counterparts. This Agreement may be executed in counterparts and different parties hereto may execute different counterparts, but all counterparts together shall constitute a single document.

Section 9. 12 Amendments. This Agreement may be amended from time to time, but only in writing, by Bank and Debtor, including amendments to modify the amount of the Commitment and to admit additional banks as parties to this Agreement (in addition to the provisions of Section 9.8 hereof regarding assignments of existing interests) provided, however, any such amendments shall not require Debtor providing additional resolutions or opinions of counsel unless such amendment involves an increase in the Commitment Amount and a related amendment to the Guaranty to increase the guaranty amount, in which case Bank may require additional resolutions and opinions .

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

DEBTOR:

BANK:

TANGER PROPERTIES LIMITED

SOUTHTRUST BANK OF ALABAMA,

BY: TANGER FACTORY OUTLET
CENTERS, INC.
General Partner

By: _____
Stanley K. Tanger
Title: Chairman of the Board
Chief Executive Officer

By: _____
Name: _____
Title: _____

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STATE OF _____
COUNTY OF _____

The foregoing Loan Agreement was sworn to and subscribed before me this _____ day of November, 1996, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

Print Name: _____
Notary Public, State of _____
My Commission Number is: _____
My Commission Expires: _____

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Exhibit A

Commitment Amount

\$15,000,000.00

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Exhibit B
Form of Note

PROMISSORY NOTE

Principal Amount: \$15,000,000

Date of Note: November 18, 1996

PROMISE TO PAY. TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Debtor") promises to pay to the order of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("Bank"), in lawful money of the United States of America the sum of FIFTEEN MILLION AND NO/100 DOLLARS (\$15,000,000) or such other or lesser amounts as may be reflected from time to time on the books and records of Bank as evidencing the aggregate unpaid principal balance of loan advances made to Debtor on a multiple advance basis as provided below, together with simple interest assessed at the Prime Rate or LIBOR Adjusted Rate as selected by Debtor pursuant to the Loan Agreement (defined below), commencing on the date hereof and continuing until this Note is paid in full, or until default under this Note with interest thereafter being subject to the default interest rate provisions set forth herein. This Note is issued pursuant to, and entitled to the benefits of, that certain Loan Agreement dated as of November 18, 1996 between Debtor and the Bank, as the same may be amended, modified, or restated from time to time (as so amended, modified, or restated, the "Loan Agreement"). This Note is further entitled to the benefits of the Guaranty, as defined in the Loan Agreement.

MULTIPLE ADVANCE LOAN. This Note contemplates multiple loan advances. Debtor is entitled to borrow, repay, and borrow again, provided, that the aggregate of all loan advances outstanding at any time shall not exceed the principal amount listed above, and provided further that the provisions of the Loan Agreement shall govern the conditions and provisions of borrowings and repayments hereunder. Debtor agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Debtor's deposit accounts with Bank in accordance with the instructions of an authorized person. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Bank's internal records, including daily computer print-outs.

PAYMENT. Debtor will pay this loan in one payment of all outstanding principal

plus all accrued unpaid interest on the Termination Date as defined in the Loan Agreement. In addition, Debtor will pay monthly payments of accrued unpaid interest beginning December 15, 1996 and all subsequent interest payments are due on the same day of each month after that until this Note is paid in full. Interest on this Note is computed on a 365/360 simple interest basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Debtor will pay Bank at the address shown in the Loan Agreement, or at such other place as Bank may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Debtor may prepay this Note in whole or in part at any time subject to the terms and provisions of the Loan Agreement. If Debtor prepays this Note in full, or if Bank accelerates payment, Debtor understands that, unless otherwise required by law, any prepaid fees or charges will

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not be subject to rebate and will be earned by Bank at the time this Note is signed.

LATE CHARGE. If Debtor fails to pay any payment under this Note in full within 10 days of when due, Debtor agrees to pay Bank a late payment fee in an amount equal to 3.000% of the unpaid amount of the payment, or U.S. \$25.00, whichever is greater, with a maximum of \$200.00. Late charges will not be assessed following declaration of default and acceleration of maturity of this Note.

DEFAULT. The following actions and/or inactions shall constitute Events of Default under this Note: The occurrence of an Event of Default under the Loan Agreement

BANK'S RIGHTS UPON DEFAULT. Should any one or more Events of Default occur or exist under this Note as provided above, Bank shall have the right, at its sole option, to declare formally this Note to be in default and to accelerate the maturity and insist upon immediate payment in full of the unpaid principal balance then outstanding under this Note, plus accrued interest, together with reasonable attorneys' fees, costs, expenses and other fees and charges as provided in the Loan Agreement.

INTEREST AFTER DEFAULT. If Bank declares this Note to be in default, based upon an Event of Default, Bank has the right prospectively to adjust and fix the simple interest rate under this Note until this Note is paid in full, to eighteen (18%) percent per annum (the "Post-Default Rate")

ATTORNEYS' FEES. If Bank refers this Note to an attorney for collection, or files suit against Debtor to collect this Note, or if Debtor files for bankruptcy or other relief from creditors, Debtor agrees to pay Bank's reasonable attorneys' fees in an amount not exceeding 25.000% of the unpaid debt then owing under this Note.

NSF CHECK CHARGES. In the event that Debtor makes any payment under this Note by check and Debtor's check is returned to Bank unpaid due to nonsufficient funds in my deposit account, Debtor agrees to pay Bank an additional NSF check charge equal to \$15.00.

FINANCIAL STATEMENTS. Debtor agrees to provide Bank with such financial statements and other related information at such frequencies and in such detail as Bank may reasonably request as set forth in the Loan Agreement.

GOVERNING LAW. Debtor agrees that this Note and the loan evidenced hereby shall be governed under the laws of the State of Alabama.

WAIVERS. To the extent permitted by applicable law, Debtor and each guarantor of this Note hereby waive presentment for payment, protest, notice of protest and notice of nonpayment, and severally agree that their obligations and liabilities to Bank hereunder shall be on a "solidary" or "joint and several" basis. Debtor and each guarantor further severally agree that discharge or release of any party who is or may be liable to Bank for the indebtedness represented hereby shall not have the effect of releasing any other party or parties, who shall remain liable to Bank Debtor and each guarantor additionally agree that Bank's acceptance of payment other than in accordance with the terms of this Note, or Bank's subsequent agreement to extend or modify such repayment terms, or Bank's failure or delay in exercising any rights or remedies granted to Bank shall likewise not have the effect of releasing Debtor or any other party or parties from their respective obligations to Bank, or of

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releasing any collateral that directly or indirectly secures repayment hereof. In addition, any failure or delay on the part of Bank to exercise any of the

rights and remedies granted to Bank shall not have the effect of waiving any of Bank's rights and remedies. Any partial exercise of any rights and/or remedies granted to Bank shall furthermore not be construed as a waiver of any other rights and remedies; it being Debtor's intent and agreement that Bank's rights and remedies shall be cumulative in nature. Debtor and each guarantor further agree that, should any Event of Default occur or exist under this Note, any waiver or forbearance on the part of Bank to pursue the rights and remedies available to Bank, shall be binding upon Bank only to the extent that Bank specifically agrees to any such waiver or forbearance in writing. A waiver or forbearance on the part of Bank as to one default event shall not be construed as a waiver or forbearance as to any other default. Debtor and each guarantor of this Note further agree that any late charges provided for under this Note will not be charges for deferral of time for payment and will not and are not intended to compensate Bank for a grace or cure period, and no such deferral, grace or cure period has or will be granted to Debtor in return for the imposition of any late charge. Debtor recognizes that Debtor's failure to make timely payment of amounts due under this Note will result in damages to Bank, including but not limited to Bank's loss of the use of amounts due, and Debtor agrees that any late charges imposed by Bank hereunder will represent reasonable compensation to Bank for such damages.

SUCCESSORS AND ASSIGNS LIABLE. Debtor's and each guarantor's obligations and agreements under this Note shall be binding upon Debtor's and each guarantor's respective successors, heirs, legatees, devisees, administrators, executors and assigns. The rights and remedies granted to Bank under this Note shall inure to the benefit of Bank's successors and assigns, as well as to any subsequent holder or holders of this Note.

CAPTION HEADINGS. Caption headings of the sections of this Note are for convenience purposes only and are not to be used to interpret or to define their provisions. In this Note, whenever the context so requires, the singular includes the plural and the plural also includes the singular.

SEVERABILITY. If any provision of this Note is held to be invalid, illegal or unenforceable by any court, that provision shall be deleted from this Note and the balance of this Note shall be interpreted as if the deleted provision never existed.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER HEREBY WAIVES THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY BANKOR BORROWER AGAINST THE OTHER TO THE EXTENT PERMITTED BY APPLICABLE LAW.

BORROWER:
TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER FACTORY OUTLET CENTERS, INC.

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By: _____
Stanley K. Tanger
Chairman of Board
Chief Executive Officer

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Exhibit C
Termination Date
January 15, 1998

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Exhibit D
Minimum Advance

LIBOR Rate Advances _____ \$500,000.00
Prime Rate Advances _____ \$100,000.00

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Tanger Factory Outlet Centers, Inc. and Subsidiary on Form S-8 (File No. 33-80450) and Form S-3 (File No. 33-99736) of our reports dated January 27, 1997, except Note 14, which is dated February 28, 1997, on our audits of the consolidated financial statements and financial statement schedule of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995 and 1994, which reports are included in this Annual Report on Form 10-K.

COOPERS & LYBRAND

Greensboro, North Carolina
March 18, 1997

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