SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1999
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	56-1815473
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3200 Northline Avenue Suite 360 Greensboro, NC 27408	
(Address of principal executive offices)	(336) 292-3010 (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 Shares, $.01 par value	New York Stock Exchange
Series A Cumulative Convertible Redeemable Preferred Shares, $.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 $133,070,000 based on the closing price on the New York Stock Exchange for such stock on March 1, 2000.

The number of Common Shares of the Registrant outstanding as of March 1, 2000 was 7,876,835.

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 16, 2000.

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, acquiring, 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 is one of the largest owners and operators of factory outlet centers in the United States. As of December 31, 1999, the Company owned and operated 31 centers (the "Centers") with a total gross leasable area ("GLA") of approximately 5.1 million square feet. These centers were approximately 97% leased, contained over 1,300 stores and represented over 280 brand name companies as of such date.

The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, 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.

Prior to 1999, the Company owned the majority of the units of partnership interest issued by the Operating Partnership (the "Units") and served as its sole general partner. During 1999, the Company transferred its ownership of Units into two wholly-owned subsidiaries, the Tanger GP Trust and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. The Tanger Family Limited Partnership ("TFLP"), holds the remaining Units as a limited partner. Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer, is the sole general partner of TFLP.

As of December 31, 1999, the Company's wholly-owned subsidiaries owned 7,876,835 Units, and 85,270 Preferred Units (which are convertible into approximately 795,309 limited partnership Units) and TFLP owned 3,033,305 Units. TFLP's Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, on a one-for-one basis for common shares of the Company. See "Business-The Operating Partnership". Preferred Units are automatically converted into limited partnership Units to the extent of any conversion of preferred shares of the Company into common shares of the Company. Management of the Company beneficially owns approximately 27% of all outstanding common shares (assuming the Series A Preferred Shares and the limited partner's Units are exchanged for common shares but without giving effect to the exercise of any outstanding stock and partnership Unit options).

Ownership of the Company's common and preferred shares is restricted to preserve the Company's status as a REIT for federal income tax purposes. Subject to certain exceptions, a person may not actually or constructively own more than 4% of the Company's common shares (including common shares which may be issued as a result of conversion of Series A Preferred Shares) or more than 29,400 Series A Preferred Shares (or a lesser number in certain cases). The Company also operates in a manner intended to enable it to preserve its status as a REIT, including, among other things, making distributions with respect to its outstanding common and preferred shares equal to at least 95% of its taxable income each year.

The Company is a North Carolina corporation that was formed in March 1993. The executive offices are currently located at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina, 27408 and the telephone number is (336) 292-3010.

Recent Developments

At December 31, 1999, the Company owned 31 centers in 22 states totaling 5,149,000 square feet of operating GLA compared to 31 centers in 23 states totaling 5,011,000 square feet of operating GLA as of December 31, 1998. The 138,000 net increase in GLA is comprised primarily of an increase of 176,000 square feet due to expansions in five existing centers during the year, an increase of 165,000 square feet due the acquisition of Bass Pro Outdoor World in Fort Lauderdale, Florida and a decrease of 198,000 square feet due to the tornado destruction of the center in Stroud, Oklahoma. In addition, the Company has approximately 114,000 square feet of expansion space under construction in three centers, which are scheduled to open during the first six months of 2000.

The center in Stroud, Oklahoma was destroyed by a tornado in May 1999. At December 31, 1999, the Company had recorded a receivable of $4.2 million from the Company's property insurance carrier. This amount, which was collected in January 2000, represents the unpaid portion of an insurance settlement of $13.4 million related to the loss of the Stroud center. Approximately $1.9 million of the settlement proceeds represented business interruption insurance. The business interruption proceeds are being amortized to other income over a period of fourteen months. The unrecognized portion of the business interruption proceeds at December 31, 1999 totaled $985,200. The remaining portion of the settlement, net of related expenses, was considered replacement proceeds for the portion of the center that was totally destroyed. As a result, the Company recognized a gain on disposal of $4.1 million during 1999. The remaining carrying value for this property consists of land and related site work totaling $1.7 million.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 2000 and beyond. Currently, the Company is in the preleasing stage of a second phase of the Fort Lauderdale development that will include 130,000 square feet of GLA to be developed on the 12-acre parcel adjacent to the Bass Pro Outdoor World store. If the Company decides to develop this project, it anticipates stores in this phase to begin opening in early 2001. Based on tenant demand, the Company also has an option to purchase the retail portion of a site at the Bourne Bridge Rotary in Cape Cod, MA where it plans to develop a new 300,000 square foot outlet center. The entire site will contain more than 950,000 square feet of mixed-use entertainment, retail, office and residential community built in the style of a Cape Cod Village. The local

and state planning authorities are currently reviewing the project and the Company anticipates final approvals by early 2001.

These anticipated or planned developments or expansions may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, the Company regularly evaluates acquisition or disposition proposals, engages from time to time in negotiations for acquisitions or dispositions and may from time to time enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent also may not be consummated, or if consummated, may not result in accretive funds from operations.

During March 1999, the Company refinanced its 8.92% notes that had a carrying amount of $47.3 million. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the Company's revolving lines of credit. In addition, the Company extended the maturity of all of its revolving lines of credit by one year. The lines of credit now have maturity dates in the years 2001 and 2002.

In January 2000, the Company entered into a $20.0 million two year unsecured term loan with interest payable at LIBOR plus 2.25%. The proceeds were used to reduce amounts outstanding under the existing lines of credit. Also in January 2000, the Company entered into interest rate swap agreements on notional amounts totaling $20.0 million at a cost of $162,000. The agreements mature in January 2002. The swap agreements have the effect of fixing the interest rate on the new $20.0 million loan at 8.75%.

The Factory Outlet Concept

Factory outlets are manufacturer-operated retail stores that sell primarily first quality, branded products 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 selling in factory outlet stores 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 lower operating costs than other retailing formats. 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 range in size from 11,000 to 716,529 square feet of GLA and are typically located at least 10 miles from densely populated 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. Many of the Company's factory outlet centers are located near tourist destinations to attract tourists who consider shopping to be a recreational activity and are typically situated in close proximity to interstate highways that provide 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 re-merchandising plans and expansions of existing centers. Management believes that under present conditions such development or expansion 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 prospective 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, re-merchandising and expanding factory outlet centers is justified by the potential financial returns on such centers.

With the decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms in order to maintain its historical rate of external growth. In the interim, the Company may consider the use of operational and developmental joint ventures and other related strategies to generate additional cash funding. See "Business-Capital Strategy" below.

The Company's Factory Outlet Centers

Each of the Company's factory outlet centers carry the Tanger brand name. The Company believes that both national manufacturers and consumers recognize the Tanger name as a company that provides outlet shopping centers where consumers can trust the brand, quality and price of the merchandise they purchase directly

from the manufacturers.

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.

As of December 31, 1999, the Company had a diverse tenant base comprised of over 280 different well-known, upscale, national designer or brand name companies, such as Liz Claiborne, Reebok International, Ltd., Tommy Hilfiger, Polo Ralph Lauren, The Gap, Nautica and Nike. A majority of the factory outlet stores leased by the Company are directly operated by the respective manufacturer.

No single tenant (including affiliates) accounted for 10% or more of combined base and percentage rental revenues during 1999, 1998 and 1997. As of March 1, 2000, the Company's largest tenant, including all of its store concepts, accounted for approximately 6.6% of its GLA. 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.

Revenues from fixed rents and operating expense reimbursements accounted for approximately 90% of the Company's total revenues in 1999. Revenues from contingent sources, such as percentage rents, which fluctuate depending on tenant's sales performance, accounted for approximately 6% of 1999 revenues. As a result, only a small portion of the Company's revenues are dependent on contingent revenue sources.

Business History

Stanley K. Tanger, the Company's founder, 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"), which 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.

From 1981 to 1986, Stanley K. Tanger solely developed the first successful factory outlet centers. Steven Tanger joined the company in 1986 and by June 1993, together, the Tangers had developed 17 Centers with a total GLA of approximately 1.5 million square feet. In June of 1993, the Company completed its initial public offering ("IPO"), making Tanger Factory Outlet Centers, Inc. the first publicly traded outlet center company. Since its IPO, the Company has developed nine Centers and acquired seven Centers and, together with expansions of existing Centers net of centers disposed of, added approximately 3.6 million square feet of GLA to its portfolio, bringing its portfolio of properties as of December 31, 1999 to 31 Centers totaling approximately 5.1 million square feet of GLA.

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 new development, selective acquisitions 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.

While factory outlet stores continue to be a profitable and fundamental distribution channel for brand name manufacturers, some retail formats are more successful than others. As typical in the retail industry, certain tenants have closed, or will close, certain stores by terminating their lease prior to its original expiration or as a result of filing for protection under bankruptcy laws.

As part of its strategy of aggressively managing its assets, the Company is strengthening the tenant base in several of its centers by adding strong new anchor tenants, such as Nike, GAP, Polo, Tommy Hilfiger and Nautica. To accomplish this goal, stores may remain vacant for a longer period of time in order to recapture enough space to meet the size requirement of these upscale, high volume tenants. Consequently, the Company anticipates that its average occupancy level will remain strong, but may be more in line with the industry average going forward.

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 per year and access to frontage on a

major or interstate 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 tourist destination. The Company's current goal is to target sites that are large enough to support centers with approximately 75 stores totaling at least 300,000 square feet of GLA. Generally, the Company will build such centers in phases, with the first phase containing 150,000 to 200,000 square feet of GLA. Subsequent phases are considered based on the success of the center and tenant demand. Future phases have historically been less expensive to build than the first phase because the Company generally consummates land acquisition and finishes most of the site work, including parking lots, utilities, zoning and other developmental work, in the first phase.

The Company generally preleases at least 50% of the space in each center prior to acquiring the site and beginning construction. Construction of a new factory outlet center has normally 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.

Capital Strategy

The Company's capital strategy is to maintain a strong and flexible financial position by: (i) maintaining a low level of leverage, (ii) extending and sequencing debt maturity dates, (iii) managing its floating interest rate exposure, (iv) maintaining its liquidity and (v) reinvesting a significant portion of its cash flow by maintaining a low distribution payout ratio, defined as annual distributions as a percent of funds from operations ("FFO" - See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Funds From Operations") for such year.

The Company has successfully increased its dividend each of its first six years as a public company. At the same time, the Company continues to have one of the lowest payout ratios in the REIT industry. The distribution payout ratio for the year ended December 31, 1999 was 68%. As a result, the Company retained approximately $13.3 million of its 1999 FFO.

A low distribution payout ratio policy allows the Company to retain capital to maintain the quality of its portfolio as well as to develop, acquire and expand properties and reduce debt. In addition, the Company has purchased some of its outstanding common shares and may continue to do so when its stock price declines to further reduce the distribution payout ratio and improve earnings and FFO per share. The Company's Board of Directors has authorized the repurchase of up to $6.0 million of the Company's common shares, of which $4.8 million was available for future repurchases at December 31, 1999.

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 interest of the Company and its shareholders. The Company maintains revolving lines of credit that provide for unsecured borrowings up to $100 million, of which $11.0 million was available for additional borrowings at December 31, 1999. In January 2000, the Company enterd into a $20.0 million two year unsecured term loan. The proceeds were used to reduce amounts outstanding under the existing lines of credit, the effect of which was to take the amounts available under the lines to $31.0 million

As a general matter, the Company anticipates utilizing its lines of credit as an interim source of funds to acquire, develop and expand factory outlet centers and repaying the credit lines with longer-term debt or equity when management determines that market conditions are favorable. Under joint shelf registration, the Company and the Operating Partnership could issue up to $100 million in additional equity securities and $100 million in additional debt securities. With the decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms. Management believes the decline is temporary and may utilize these funds as the markets improve to continue its external growth. In the interim, the Company may consider the use of operational and developmental joint ventures and other related strategies to generate additional cash funding. The Company may also consider selling certain properties that do not meet the Company's long-term investment criteria as well as outparcels on existing properties to generate capital to reinvest into other attractive investment opportunities. Based on cash provided by operations, 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 2000.

The Operating Partnership

The Centers 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, 1999, the Company's wholly-owned subsidiaries owned 7,876,835 Units, and

85,270 Preferred Units (which are convertible into approximately 795,309 limited partnership Units) and TFLP owned 3,033,305 Units. TFLP's Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, on a one-for-one basis for common shares of the Company.

Each preferred partnership Unit entitles the Company to receive distributions from the Operating Partnership, in an amount equal to the distribution 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 partnership Units. Preferred partnership Units will be automatically converted by holders into limited partnership Units to the extent that the Series A Preferred Shares are converted into Common Shares and will be redeemed by the Operating Partnership to the extent that the Series A Preferred Shares are redeemed by the Company.

Competition

The Company carefully considers the degree of existing and planned competition in a proposed area before deciding to develop, acquire or expand a new center. The Company's centers compete for customers primarily with factory outlet centers built and operated by different developers, traditional shopping malls and full- and off-price retailers. However, management believes that the majority of the Company's customers visit factory outlet centers because they are intent on buying name-brand products at discounted prices. Traditional full- and off-price retailers are often unable to provide such a variety of name-brand products at attractive prices.

Tenants of factory outlet centers typically avoid direct competition with major retailers and their own specialty stores, and, therefore, generally insist that the outlet centers be located not less than 10 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 favorably with as many as three large national developers of factory outlet centers and numerous small developers. Competition with other factory outlet centers for new tenants is generally based on cost, location, quality and mix of the centers' existing tenants, and the degree and quality of the support and marketing services provided. As a result of these factors and due to the strong tenant relationships that presently exist with the current major outlet developers, the Company believes there are significant barriers to entry into the outlet center industry by new developers. 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 stores 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 rents space in an 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 who are based in and around that area.

The Company maintains offices and employee on-site managers at 25 Centers. The managers closely monitor the operation, marketing and local relationships at each of their centers.

Insurance

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

Employees

As of March 1, 2000, the Company had 150 full-time employees, located at the Company's corporate headquarters in North Carolina, its regional office in New York and its 25 business offices.

Item 2. Business and Properties

As of March 1, 2000, the Company's portfolio consisted of 31 Centers located in 22 states. The Company's Centers range in size from 11,000 to 716,529 square feet of GLA. These Centers are typically strip shopping centers that enable customers to view all of the shops from the parking lot, minimizing the time needed to shop. The Centers are generally located near tourist destinations or along major interstate highways to provide visibility and accessibility to potential customers.

The Company believes that the Centers are well diversified geographically and by

tenant and that it is not dependent upon any single property or tenant. The only Center that represents more than 10% of the Company's consolidated total assets or consolidated gross revenues as of and for the year ended December 31, 1999 is the property in Riverhead, NY. See "Business and Properties - Significant Property". No other Center represented more than 10% of the Company's consolidated total assets or consolidated gross revenues as of December 31, 1999.

Management has an ongoing strategy of acquiring Centers, developing new Centers and expanding existing Centers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" for a discussion of the cost of such programs and the sources of financing thereof.

Certain of the Company's Centers serve as collateral for mortgage notes payable. Of the 31 Centers, the Company owns the land underlying 28 and has ground leases on three. The land on which the Pigeon Forge and Sevierville Centers are located are subject to long-term ground leases expiring in 2086 and 2046, respectively. The land on which the original Riverhead Center is located, approximately 47 acres, 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 land on which the Riverhead Center expansion is located, containing approximately 43 acres, is owned by the Company.

The term of the Company's typical tenant lease ranges from five to ten years. Generally, leases provide for the payment of fixed monthly rent in advance. There are often contractual base rent increases during the initial term of the lease. In addition, the rental payments are customarily subject to upward adjustments based upon tenant sales volume. Most leases provide for payment by the tenant of real estate taxes, insurance, common area maintenance, advertising and promotion expenses incurred by the applicable Center. As a result, substantially all operating expenses for the Centers are borne by the tenants.

<TABLE>
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Location of Centers (as of March 1, 2000)

State	Number of Centers	GLA (sq. ft.)	% of GLA
<S>	<C>	<C>	<C>
Georgia	4	950,590	18
New York	1	716,529	14
Tennessee	2	434,350	8
Texas	2	414,830	8
Florida	2	363,956	7
Missouri	1	277,494	5
Iowa	1	277,237	5
Louisiana	1	245,325	5
Pennsylvania	1	230,063	4
Arizona	1	186,018	4
North Carolina	2	187,910	4
Indiana	1	141,051	3
Minnesota	1	134,480	3
Michigan	1	112,120	2
California	1	105,950	2
Oregon	1	97,749	2
Kansas	1	88,200	2
Maine	2	84,397	2
Alabama	1	80,730	1
New Hampshire	2	61,915	1
West Virginia	1	49,252	---
Massachusetts	1	23,417	---
Total	31	5,263,563	100

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The table set forth below summarizes certain information with respect to the Company's existing centers as of March 1, 2000.

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Location	GLA (sq. ft.)	% Occupied	Mortgage Debt Outstanding (000's) (5)	Fee or Date Opened Ground Lease

Jun.	1986	Kittery I, ME	59,694		100	$6,634	Fee
Mar.	1987	Clover, North Conway, NH	11,000		100	---	Fee
Nov.	1987	Martinsburg, WV	49,252		86	---	Fee
Apr.	1988	LL Bean, North Conway, NH	50,915		92	---	Fee
Jul.	1988	Pigeon Forge, TN	94,750		95	---	Ground Lease
Aug.	1988	Boaz, AL	80,730		100	---	Fee
Jun.	1988	Kittery II, ME	24,703		100	---	Fee
Jul.	1989	Commerce, GA	185,750		98	9,460	Fee
Oct.	1989	Bourne, MA	23,417		100	---	Fee
Feb.	1991	West Branch, MI	112,120		97	7,401	Fee
May	1991	Williamsburg, IA	277,237	(1)	98	20,346	Fee
Feb.	1992	Casa Grande, AZ	186,018		89	---	Fee
Dec.	1992	North Branch, MN	134,480		92	---	Fee
Feb.	1993	Gonzales, LA	245,325		99	---	Fee
May	1993	San Marcos, TX	237,395	(2)	97	19,802	Fee
Dec.	1993	Lawrence, KS	88,200		68	---	Fee
Dec.	1993	McMinnville, OR	97,749	(3)	69	---	Fee
Aug.	1994	Riverhead, NY	716,529	(7)	98	---	Ground Lease (4)
Aug.	1994	Terrell, TX	177,435		88	---	Fee
Sep.	1994	Seymour, IN	141,051		77	---	Fee
Oct.	1994 (6)	Lancaster, PA	230,063		100	15,351	Fee
Nov.	1994	Branson, MO	277,494		99	---	Fee
Nov.	1994	Locust Grove, GA	248,854		95	---	Fee
Jan.	1995	Barstow, CA	105,950		80	---	Fee
Dec.	1995	Commerce II, GA	342,556	(7)	98	---	Fee
Feb.	1997 (6)	Sevierville, TN	339,600	(7)	100	---	Ground Lease
Sept.	1997 (6)	Blowing Rock, NC	105,448		98	---	Fee
Sep.	1997 (6)	Nags Head, NC	82,462		100	---	Fee
Mar.	1998 (6)	Dalton, GA	173,430		95	11,658	Fee
Jul.	1998 (6)	Fort Meyers, FL	198,956		98	---	Fee
Nov.	1999 (6)	Fort Lauderdale, FL	165,000		100		Fee
Total			5,263,563	(7)	95	$ 90,652	

(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 excludes 26,030 square foot land lease to a theatre.
(4) The original Riverhead Center is subject to a ground lease which may be renewed at the option of the Company for up to seven additional terms of five years each. The land on which the Riverhead Center expansion is located is owned by the Company.
(5) As of December 31, 1999. The weighted average interest rate for debt outstanding at December 31, 1999 was 8.2% and the weighted average maturity date was December 2003.
(6) Represents date acquired by the Company.
(7) GLA includes square feet of new space not yet open as of December 31, 1999,

which totaled 114,041 square feet (Riverhead - 44,929; Commerce II - 19,300; Sevierville - 49,812)

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Lease Expirations

The following table sets forth, as of March 1, 2000, scheduled lease expirations, assuming none of the tenants exercise renewal options. Most leases are renewable for five year terms at the tenant's option.

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Year	No. of Leases Expiring(1)	Approx. GLA (sq. ft.) (1)	Average Annualized Base Rent per sq. ft.	Annualized Base Rent (000's) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S> <C>	<C>	<C> <C>	<C>	<C>	<C>
2000	116	453,000 (3)	$ 12.69	$5,748	9
2001	174	629,000	13.38	8,418	13
2002	242	884,000	15.05	13,301	20
2003	200	871,000	14.04	12,225	17
2004	210	914,000	14.82	13,547	21
2005	64	294,000	15.00	4,411	7
2006	14	105,000	14.35	1,507	2
2007	11	70,000	14.67	1,027	2
2008	9	60,000	13.93	836	1
2009	8	51,000	10.92	557	3
2010 & thereafter	25	395,000	8.92	3,522	5
Total	1,073	4,726,000	$ 13.77	$ 65,099	100

</TABLE>

(1) Excludes leases that have been entered into but which tenant has not yet taken possession, vacant suites and month-to-month leases totaling in the aggregate approximately 491,000 square feet.
(2) Base rent is defined as the minimum payments due, excluding periodic contractual fixed increases.
(3) Excludes 221,000 square feet scheduled to expire in 2000 that had already renewed as of March 1, 2000.

Rental and Occupancy Rates

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

<TABLE>
<CAPTION>

	Total Expiring		Renewed by Existing Tenants		Re-leased to New Tenants	
Year	GLA (sq. ft.)	% of Total Center GLA	GLA (sq. ft.)	% of Expiring GLA	GLA (sq. ft.)	% of Expiring GLA
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>
1999	715,197	14	606,450	85	22,882	3
1998	548,504	11	407,837	74	38,526	7
1997	238,250	5	195,380	82	18,600	8
1996	149,689	4	134,639	90	15,050	10
1995	93,650	3	91,250	97	2,400	3

</TABLE>

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 five calendar years.

	Renewals of Existing Leases				Stores Re-leased to New Tenants (1)			
		Average Annualized Base Rents ($ per sq. ft.)				Average Annualized Base Rents ($ per sq. ft.)		
Year	GLA (sq. ft.)	Expiring	New	% Increase	GLA (sq. ft.)	Expiring	New	% Change
1999	606,450	$ 14.36	$ 14.36	--	240,851	$ 15.51	$ 16.57	7
1998	407,387	13.83	14.07	2	220,890	15.33	13.87	(9)
1997	195,380	14.21	14.41	1	171,421	14.59	13.42	(8)
1996	134,639	12.44	14.02	13	78,268	14.40	14.99	4
1995	91,250	11.54	13.03	13	59,455	13.64	14.80	9

(1) The square footage released to new tenants for 1999, 1998, 1997, 1996 and 1995 contains 22,882, 38,526, 18,600, 15,050 and 2,400 square feet, respectively, that was released to new tenants upon expiration of an existing lease during the current year.

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

Year	% Leased(1)	Average Annualized Base Rent per sq. ft. (2)	GLA Open at End of Each Year	Number of Centers	Aggregate Percentage Rents (000's)
1999	97	$ 13.85	5,149,000	31	$ 3,141
1998	97	13.88	5,011,000	31	3,087
1997	98	14.04	4,458,000	30	2,637
1996	99	13.89	3,739,000	27	2,017
1995	99	13.92	3,507,000	27	2,068

(1) As of December 31st of each year shown.
(2) 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 ratio of average tenant occupancy cost (which includes base rent, common area maintenance, real estate taxes, insurance, advertising and promotions) to average sales per square foot is low relative to other forms of retail distribution. The following table sets forth, for each of the last five years, tenant occupancy costs per square foot as a percentage of reported tenant sales per square foot.

Year	Occupancy Costs as a % of Tenant Sales
1999	7.8
1998	7.9
1997	8.2
1996	8.7
1995	8.5

Tenants

The following table sets forth certain information with respect to the Company's ten largest tenants and their store concepts as of March 1, 2000.

<TABLE>
<CAPTION>

Tenant	Number of Stores	GLA (sq. ft.)	% of Total GLA open
Liz Claiborne, Inc.:			
<S>	<C>	<C>	<C>
Liz Claiborne	28	291,368	5.7
Elizabeth	8	29,284	0.5
DKNY Jeans	4	8,820	0.2
Dana Buchman	3	6,600	0.1
Claiborne Mens	2	3,100	0.1
	45	339,172	6.6
Phillips-Van Heusen Corporation:			
Bass	21	139,553	2.7
Van Heusen	20	85,156	1.7
Geoffrey Beene Co. Store	11	45,680	0.9
Izod	14	31,217	0.6
	66	301,606	5.9
Reebok International, Ltd.	24	172,161	3.3
Bass Pro Outdoor World	1	165,000	3.2
The Gap, Inc.			
GAP	12	101,387	2.0
Banana Republic	4	31,323	0.6
Old Navy	2	30,000	0.5
	18	162,710	3.1
Sara Lee Corporation:			
L'eggs, Hanes, Bali	25	108,809	2.1
Coach	11	26,561	0.5
Socks Galore	7	8,680	0.2
	43	144,050	2.8
Dress Barn Inc.	16	112,328	2.2
American Commercial, Inc.:			
Mikasa Factory Store	12	98,000	1.9
Corning Revere	21	97,931	1.9
Brown Group Retail, Inc.:			
Factory Brand Shores	15	76,880	1.5
Naturalizer	8	20,475	0.4
	23	97,355	1.9
Total of all tenants listed in table	269	1,690,313	32.8

</TABLE>

Significant Property

The Center in Riverhead, New York is the Company's only Center that comprises more than 10% of consolidated total assets or consolidated total revenues. The Riverhead Center was originally constructed in 1994. Upon completion of expansions currently underway totaling approximately 44,929 square feet, the Riverhead Center will total 716,529 square feet.

Tenants at the Riverhead Center principally conduct retail sales operations. The occupancy rate as of the end of 1999, 1998 and 1997, excluding expansions under construction, was 99%, 97% and 99%. Average annualized base rental rates during 1999, 1998, and 1997 were $19.15, $18.89, and $18.65 per weighted average GLA.

Depreciation on the Riverhead Center is recognized on a straight-line basis over 33.33 years, resulting in a depreciation rate of 3% per year. At December 31, 1999, the net federal tax basis of this Center was approximately $83.3 million. Real estate taxes assessed on this Center during 1999 amounted to $2.4 million. Real estate taxes for 2000 are estimated to be approximately $2.5 million.

The following table sets forth, as of March 1, 2000, scheduled lease expirations at the Riverhead Center assuming that none of the tenants exercise renewal options:

<TABLE>
<CAPTION>

Year	No. of Leases Expiring (1)	GLA (sq. ft.) (1)	Annualized Base Rent per sq. ft.	Annualized Base Rent (000) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
2000	4	28,985	$ 18.18	$ 527	4
2001	7	36,000	18.64	671	5
2002	62	206,724	21.43	4,431	35
2003	21	86,170	18.86	1,625	13
2004	41	175,015	19.22	3,363	27
2005	6	21,410	24.71	529	4
2006	1	1,600	35.00	56	1
2007	4	22,060	17.23	380	3
2008	1	7,500	18.00	135	1
2009	1	3,000	25.00	75	1
2010 and thereafter	5	73,000	9.95	726	6
Total	153	661,464	$ 18.92	$ 12,518	100

</TABLE>

(1) Excludes leases that have been entered into but which tenant has not taken possession, vacant suites and month-to-month leases.

(2) Base rent is defined as the minimum payments due, excluding periodic contractual fixed increases.

Item 3. Legal Proceedings

The Company is subject to legal proceedings and claims that have arisen in the ordinary course of its business and have not been finally adjudicated. In managements' opinion, the ultimate resolution of these matters will have no material effect on the Company's results of operations or financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of the fiscal year ended December 31, 1999.

EXECUTIVE OFFICERS OF THE REGISTRANT

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

NAME	AGE	POSITION
Stanley K. Tanger.....	76	Founder, Chairman of the Board of Directors and Chief Executive Officer
Steven B. Tanger.....	51	Director, President and Chief Operating Officer
Rochelle G. Simpson ...	61	Secretary and Executive Vice President - Administration and Finance
Willard A. Chafin, Jr..	62	Executive Vice President - Leasing, Site Selection, Operations and Marketing
Frank C. Marchisello, Jr..	41	Senior Vice President - Chief Financial Officer
Joseph H. Nehmen.....	51	Senior Vice President - Operations
Virginia R. Summerell.....	41	Treasurer and Assistant Secretary
C. Randy Warren, Jr.....	35	Senior Vice President - Leasing
Carrie A. Warren.....	37	Vice President - Marketing
Kevin M. Dillon.....	41	Vice President - Construction

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

Stanley K. Tanger. Mr. Tanger is the founder, 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 Executive Vice President - Administration and Finance in January 1999. She previously held the position of Senior Vice President - Administration and Finance since 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 Executive Vice President - Leasing, Site Selection, Operations and Marketing of the Company in January 1999. Mr. Chafin previously held the position of Senior Vice President - Leasing, Site Selection, Operations and Marketing since 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.

Frank C. Marchisello, Jr. Mr. Marchisello was named Senior Vice President and Chief Financial Officer in January 1999. He was named Vice President and Chief Financial Officer 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. 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 was named Senior Vice President of Operations in January 1999. He joined the Company in September 1995 and was named 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 and brother-in-law of Steven B. 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 with NationsBank. Her major responsibilities include maintaining banking relationships, oversight of all project and corporate finance transactions and development of treasury management systems. 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 was named Senior Vice President of Leasing in January 1999. He joined the Company in November 1995 as Vice President of Leasing. 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. Mr. Warren is the husband of Ms. Carrie A. Warren.

Carrie A. Warren. Ms. Warren 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. Warren was with Prime Retail, L.P. 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, L.P., Ms. Warren 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. Warren is a graduate of East Carolina University and is the wife of Mr. C. Randy Warren, Jr.

Kevin M. Dillon. Mr. Dillon was named Vice President - Construction in October 1997. Previously, he held the position of Director of Construction from September 1996 to October 1997 and Construction Manager from November 1993, the month he joined the Company, to September 1996. Prior to joining the Company, Mr. Dillon was employed by New Market Development Company for six years where he served as Senior Project Manager. Prior to joining New Market, Mr. Dillon was the Development Director of Western Development Company where he spent 6 years.

PART II

Item 5. Market For Registrant's Common Equity and Related Shareholder Matters

The Common Shares 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 Shares as reported on the New York Stock Exchange Composite Tape, during the periods indicated.

<TABLE>
<CAPTION>

1999	High	Low	Common Dividends Paid
<S>	<C>	<C>	<C>
First Quarter	$ 22.7500	$ 18.6875	$ .600
Second Quarter	26.5000	18.8750	.605
Third Quarter	26.7500	21.9375	.605
Fourth Quarter	23.1875	18.9375	.605
Year 1999	$ 26.7500	$ 18.6875	$ 2.415

1998	High	Low	Common Dividends Paid
First Quarter	$ 31.1875	$ 28.5625	$ .55
Second Quarter	31.8750	29.1250	.60
Third Quarter	31.8125	22.0000	.60
Fourth Quarter	23.8750	18.8125	.60
Year 1998	$ 31.8750	$ 18.8125	$ 2.35

</TABLE>

As of March 1, 2000, there were approximately 619 shareholders of record. Certain of the Company's debt agreements limit the payment of dividends such that dividends shall not exceed FFO, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis. Based on continuing favorable operations and available funds from operations, the Company intends to continue to pay regular quarterly dividends.

<TABLE>
<CAPTION>

Item 6. Selected Financial Data

	1999	1998	1997	1996	1995
	(In thousands, except per share and center data)				
OPERATING DATA					
<S>	<C>	<C>	<C>	<C>	<C>
Total revenues	$ 104,016	$ 97,766	$ 85,271	$ 75,500	$ 68,604
Income before minority interest and extraordinary income	21,211	16,103	17,583	16,177	15,352
Income before extraordinary item	15,837	12,159	12,827	11,752	11,218
Net income	15,588	11,827	12,827	11,191	11,218

SHARE DATA					
Basic:					
Income before extraordinary item	$ 1.77	$ 1.30	$ 1.57	$ 1.46	$ 1.36
Net income	$ 1.74	$ 1.26	$ 1.57	$ 1.37	$ 1.36
Weighted average common shares	7,861	7,886	7,028	6,402	6,095
Diluted:					
Income before extraordinary item	$ 1.74	$ 1.28	$ 1.54	$ 1.46	$ 1.36
Net income	$ 1.74	$ 1.24	$ 1.54	$ 1.37	$ 1.36
Weighted average common shares	7,872	8,009	7,140	6,408	6,096
Common dividends paid	$ 2.42	$ 2.35	$ 2.17	$ 2.06	$ 1.96
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 566,216	$ 529,247	$ 454,708	$ 358,361	$ 325,881
Total assets	490,069	471,795	416,014	332,138	315,130
Long term debt	329,647	302,485	229,050	178,004	156,749
Shareholders' equity	107,764	114,039	122,119	101,738	107,560
OTHER DATA					
EBITDA (1)	$ 70,274	$ 60,285	$ 52,857	$ 46,633	$ 41,058
Funds from operations (1)	$ 41,673	$ 39,748	$ 35,840	$ 32,313	$ 29,597
Cash flows provided by (used in):					
Operating activities	$ 43,175	$ 35,787	$ 39,214	$ 38,051	$ 32,423
Investing activities	$ (45,959)	$ (79,236)	$ (93,636)	$ (36,401)	$ (44,788)
Financing activities	$ (3,043)	$ 46,172	$ 55,444	$ (4,176)	$ 13,802
Gross leasable area open at year end	5,149	5,011	4,458	3,739	3,507
Number of centers	31	31	30	27	27

</TABLE>

(1) EBITDA and Funds from Operations ("FFO") are widely accepted financial indicators used by certain investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA represents earnings before minority interest, interest expense, income taxes, depreciation and amortization. Funds from operations is defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate. The Company cautions that the calculations of EBITDA and FFO may vary from entity to entity and as such the presentation of EBITDA and FFO by the Company may not be comparable to other similarly titled measures of other reporting companies. EBITDA and FFO are not intended to represent cash flows for the period. EBITDA and FFO have not been presented as an alternative to operating income as an indicator of operating performance, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

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, 1999 and 1998, as well as December 31, 1998 and 1997. 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, acquisition, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy that may occur subsequent to the original opening date.

Cautionary Statements

Certain statements made below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are

generally identifiable by use of the words `believe', `expect', `intend', `anticipate', `estimate', `project', or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, the following:

- general economic and local real estate conditions could change (for example, our tenant's business may change if the economy changes, which might effect (1) the amount of rent they pay us or their ability to pay rent to us, (2) their demand for new space, or (3) our ability to renew or re-lease a significant amount of available space on favorable terms;

- the laws and regulations that apply to us could change (for instance, a change in the tax laws that apply to REITs could result in unfavorable tax treatment for us);

- availability and cost of capital (for instance, financing opportunities may not be available to us, or may not be available to us on favorable terms);

- our operating costs may increase or our costs to construct or acquire new properties or expand our existing properties may increase or exceed our original expectations.

General Overview

At December 31, 1999, the Company owned 31 centers in 22 states totaling 5,149,000 square feet of operating GLA compared to 31 centers in 23 states totaling 5,011,000 square feet of operating GLA as of December 31, 1998. The 138,000 net increase in GLA is comprised primarily of an increase of 176,000 square feet due to expansions in five existing centers during the year, an increase of 165,000 square feet due the acquisition of Bass Pro Outdoor World in Fort Lauderdale, Florida and a decrease of 198,000 square feet due to the tornado destruction of the center in Stroud, Oklahoma. In addition, the Company has approximately 114,000 square feet of expansion space under construction in three centers, which are scheduled to open during the first six months of 2000.

During 1998, the Company added a total of 569,000 square feet to its portfolio including: Dalton Factory Stores, a 173,000 square foot factory outlet center located in Dalton, GA, acquired in March 1998; Sanibel Factory Stores, a 186,000 square foot factory outlet center located in Fort Myers, FL, acquired in July 1998; and 210,000 square feet of expansions in 5 existing centers. Also during 1998, the Company completed the sale of its 8,000 square foot, single tenant property in Manchester, VT for $1.85 million.

The center in Stroud, Oklahoma was destroyed by a tornado in May 1999. At December 31, 1999, the Company had recorded a receivable of $4.2 million from the Company's property insurance carrier. This amount, which was collected in January 2000, represents the unpaid portion of an insurance settlement of $13.4

million related to the loss of the Stroud center. Approximately $1.9 million of the settlement proceeds represented business interruption insurance. The business interruption proceeds are being amortized to other income over a period of fourteen months. The unrecognized portion of the business interruption proceeds at December 31, 1999 totaled $985,200. The remaining portion of the settlement, net of related expenses, was considered replacement proceeds for the portion of the center that was totally destroyed. As a result, the Company recognized a gain on disposal of $4.1 million during 1999. The remaining carrying value for this property consists of land and related site work totaling $1.7 million.

A summary of the operating results for the years ended December 31, 1999, 1998 and 1997 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
GLA open at end of period (000's)	5,149	5,011	4,458
Weighted average GLA (000's) (1)	4,996	4,768	4,046
Outlet centers in operation	31	31	30
New centers acquired	1	2	3
Centers disposed of or sold	1	1	-

Centers expanded	5	1	5
States operated in at end of period	22	23	23
Occupancy percentage at end of period	97	97	98
Per square foot			
Revenues			
Base rentals	$13.85	$13.88	$14.04
Percentage rentals	.63	.65	.65
Expense reimbursements	5.59	5.63	6.10
Other income	.76	.34	.29
Total revenues	20.83	20.50	21.08
Expenses			
Property operating	6.12	6.10	6.49
General and administrative	1.46	1.40	1.52
Interest	4.85	4.62	4.16
Depreciation and amortization	4.97	4.65	4.56
Total expenses	17.40	16.77	16.73
Income before gain on disposal or sale of real estate, minority interest and extraordinary item	$ 3.43	$ 3.73	$ 4.35

</TABLE>

(1) GLA weighted by months of operations. GLA is not adjusted for fluctuations in occupancy that may occur subsequent to the original opening date.

Results of Operations

1999 Compared to 1998

Base rentals increased $3.0 million, or 5%, in the 1999 period when compared to the same period in 1998. The increase is primarily due to the effect of a full year of rent in 1999 from the centers acquired on March 31, 1998 and July 31, 1998 as well as the expansions mentioned in the Overview above, offset by the loss of rent from the center in Stroud, Oklahoma. Base rent per weighted average GLA decreased $.03 per foot due to the portfolio of properties having a lower overall average occupancy rate during 1999 compared to 1998. Base rent per square foot, however, was favorably impacted during the year due to the loss of the Stroud center which had a lower average base rent per square foot than the portfolio average.

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels (the "breakpoint"), increased by $54,000 and on a weighted average GLA basis, decreased $.02 per square foot in 1999 compared to 1998. For the year ended December 31, 1999, reported same-store sales, defined as the weighted average sales per square foot reported by tenants for stores open since January 1, 1998, were down approximately 1% with that of the previous year. However, same-space sales for the year ended December 31, 1999 actually increased 5% to $261 per square foot due to the Company's efforts to re-merchandise selected centers by replacing low volume tenants with high volume tenants.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, decreased to 91% in 1999 from 92% in 1998 primarily as a result of a lower average occupancy rate in the 1999 period compared to the 1998 period.

Other income increased $2.1 million in 1999 as compared to 1998. The increase is primarily due to gains on sale of out parcels of land totaling $687,000 during 1999 as well as to the recognition of $880,000 of business interruption

insurance proceeds relating to the Stroud center.

Property operating expenses increased by $1.5 million, or 5%, in 1999 as compared to 1998. On a weighted average GLA basis, property operating expenses increased slightly from $6.10 to $6.12 per square foot. Higher real estate taxes per square foot were offset by decreases in advertising and promotion expenses per square foot and lower common area maintenance expenses per square foot.

General and administrative expenses increased $629,000, or 9%, in 1999 as compared to 1998. As a percentage of revenues, general and administrative expenses were approximately 7.0% of revenues in 1999 and 6.8% in 1998. On a weighted average GLA basis, general and administrative expenses increased $.06 per square foot from $1.40 in 1998 to $1.46 in 1999. The increase in general and administrative expenses per square foot reflects the rental and related expenses for the new corporate office space to which the Company relocated its corporate headquarters in April 1999.

Interest expense increased $2.2 million during 1999 as compared to 1998 due to financing the 1998 acquisitions and the 1998 and 1999 expansions. However, interest expense was favorably impacted by the insurance proceeds received from the loss of the Stroud center that were used to immediately reduce outstanding amounts under the Company's lines of credit. Depreciation and amortization per weighted average GLA increased from $4.65 per square foot in 1998 to $4.97 per square foot in the 1999 period due to a higher mix of tenant finishing allowances included in buildings and improvements which are depreciated over shorter lives (i.e., over lives generally ranging from 3 to 10 years as opposed to other construction costs which are depreciated over lives ranging from 15 to 33 years.)

The gain on disposal of real estate during 1999 represents the amount of insurance proceeds from the loss of the Stroud center in excess of the carrying amount for the portion of the related assets destroyed by the tornado. The gain on sale of real estate during 1998 is due primarily to the sale of an 8,000 square foot, single tenant property in Manchester, VT.

The extraordinary losses recognized in each year represent the write-off of unamortized deferred financing costs related to debt that was extinguished during each period prior to its scheduled maturity.

1998 Compared to 1997

Base rentals increased $9.4 million, or 17%, in 1998 when compared to the same period in 1997 primarily as a result of the 18% increase in weighted average GLA. The increase in weighted average GLA is due primarily to the acquisitions in October 1997 (180,000 square feet), March 1998 (173,000 square feet), and July 1998 (186,000 square feet), as well as expansions completed in the fourth quarter of 1997 and first quarter 1998. The decrease in base rentals per weighted average GLA of $.16 in 1998 compared to 1997 reflects (1) the impact of these acquisitions which collectively have a lower average base rental rate per square foot and (2) lower average occupancy rates in 1998 compared to 1997. Base rentals per weighted average GLA, excluding these acquisitions, during the 1998 period decreased $.08 per square foot to $13.96.

Percentage rentals increased $450,000, or 17%, in 1998 compared to 1997 due to the acquisitions and expansions completed in 1997. Same store sales, defined as the weighted average sales per square foot reported for tenant stores open all of 1998 and 1997, decreased 2.7% to approximately $242 per square foot.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional and advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, decreased from 94% in 1997 to 92% in 1998 primarily as a result of the decrease in occupancy.

Property operating expenses increased by $2.8 million, or 11%, in 1998 as compared to 1997. On a weighted average GLA basis, property operating expenses decreased from $6.49 to $6.10 per square foot. Higher expenses for real estate taxes per square foot were offset by decreases in advertising and promotion and common area maintenance expenses per square foot. The decrease in property operating expenses per square foot is also attributable to the acquisitions that collectively have a lower average operating cost per square foot. Excluding the acquisitions, property operating expenses during 1998 were $6.19 per square foot.

General and administrative expenses increased $524,000 in 1998 compared to 1997. As a percentage of revenues, general and administrative expenses decreased from 7.2% in 1997 to 6.8% in 1998. On a weighted average GLA basis, general and administrative expenses decreased $.12 per square foot to $1.40 in 1998, reflecting the absorption of the acquisitions in 1997 and 1998 without relative increases in general and administrative expenses.

Interest expense increased $5.2 million during 1998 as compared to 1997 due to higher average borrowings outstanding during the period and due to less interest capitalized during 1998 as a result of a decrease in ongoing construction activity during 1998 compared to 1997. Average borrowings have increased principally to finance the acquisitions and expansions to existing centers (see "General Overview" above). Depreciation and amortization per weighted average GLA increased from $4.56 per square foot to $4.65 per square foot.

The asset write-down of $2.7 million in 1998 represents the write-off of pre-development costs capitalized for certain projects, primarily the Romulus, MI project, which were discontinued and terminated during the year.

The gain on sale of real estate for 1998 represents the sale of an 8,000 square foot, single tenant property in Manchester, VT for $1.85 million and the sale of three outparcels at other centers for sales prices aggregating $940,000. The extraordinary item in 1998 represents a write-off of unamortized deferred financing costs due to the termination of a $50 million secured line of credit.

Liquidity and Capital Resources

Net cash provided by operating activities was $43.2, $35.8 and $39.2 million for the years ended December 31, 1999, 1998 and 1997, respectively. The increase in cash provided by operating activities in 1999 compared to 1998 is primarily due to increases in operating income from the 1998 and 1999 acquisitions and expansions and increases in accounts payable. Net cash provided by operating activities decreased $3.4 million in 1998 compared to 1997 as decreases in accounts payable offset the increases in operating income associated with acquired or expanded centers. Net cash used in investing activities amounted to $46.0, $79.2, and $93.6 million during 1999, 1998 and 1997, respectively, and reflects the fluctuation in construction and acquisition activity during each year. Net cash used in investing activities also decreased in 1999 compared to 1998 due to approximately $6.5 million in net insurance proceeds received from the loss of the Stroud center. Cash provided by (used in) financing activities of $(3.0), $46.2, and $55.4 in 1999, 1998 and 1997, respectively, has fluctuated consistently with the capital needed to fund the current development and acquisition activity and reflects increases in dividends paid during both 1999 and 1998. In 1999, net cash provided by financing activities was further reduced by $958,000 paid to purchase and retire some of the Company's common shares and $1.0 million paid in deferred financing costs to refinance its 8.92% notes during 1999.

During 1999, the Company added approximately 176,000 square feet of expansions in five existing centers and acquired the 165,000 square foot Bass Pro Outdoor World in Fort Lauderdale, Florida. In addition, the Company has approximately 114,000 square feet of expansion space under construction in three centers, which are scheduled to open during the first six months of 2000. Commitments for construction of these projects (which represent only those costs contractually required to be paid by the Company) amounted to $3.0 million at December 31, 1999.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 2000 and beyond. Currently, the Company is in the preleasing stage of a second phase of the Fort Lauderdale development that will include 130,000 square feet of GLA to be developed on the 12-acre parcel adjacent to the Bass Pro Outdoor World. If the Company decides to develop this project, it anticipates stores in this phase to begin opening in early 2001. Based on tenant demand, the Company also has an option to purchase the retail portion of a site at the Bourne Bridge Rotary in Cape Cod, MA where it plans to develop a new 300,000 square foot outlet center. The entire site will contain more than 950,000 square feet of mixed-use entertainment, retail, office and residential community built in the style of a Cape Cod Village. The local and state planning authorities are currently reviewing the project and the Company anticipates final approvals by early 2001.

These anticipated or planned developments or expansions may not be started or completed as scheduled, or may not result in accretive funds from operations. In addition, the Company regularly evaluates acquisition or disposition proposals, engages from time to time in negotiations for acquisitions or dispositions and may from time to time enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent also may not be consummated, or if consummated, may not result in accretive funds from operations.

Other assets include a receivable totaling $2.8 million from Stanley K. Tanger, the Company's Chairman of theBoard and Chief Executive Officer. Mr. Tanger and the Company have entered into demand note agreements whereby he may borrow up to $3.5 million through various advances from the Company for an investment in a separate E-commerce business venture. The notes bear interest at a rate of 8% per annum and are collateralized by Mr. Tanger's limited partnership interest in Tanger Investments Limited Partnership. Mr. Tanger intends to fully repay the loans.

The Company maintains revolving lines of credit which provide for unsecured

borrowings up to $100 million, of which $11.0 million was available for additional borrowings at December 31, 1999. As a general matter, the Company anticipates utilizing its lines of credit as an interim source of funds to acquire, develop and expand factory outlet centers and repaying the credit lines with longer-term debt or equity when management determines that market conditions are favorable. Under joint shelf registration, the Company and the Operating Partnership could issue up to $100 million in additional equity securities and $100 million in additional debt securities. With the decline in the real estate debt and equity markets, the Company may not, in the short term, be able to access these markets on favorable terms. Management believes the decline is temporary and may utilize these funds as the markets improve to continue its external growth. In the interim, the Company may consider the use of operational and developmental joint ventures and other related strategies to generate additional capital. The Company may also consider selling certain properties that do not meet the Company's long-term investment criteria as well as outparcels on existing properties to generate capital to reinvest into other attractive opportunities. Based on cash provided by operations, 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 2000.

During March 1999, the Company refinanced its 8.92% notes that had a carrying amount of $47.3 million. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit. In addition, the Company extended the maturity of all of its revolving lines of credit by one year. The lines of credit now have maturity dates in the years 2001 and 2002.

In January 2000, the Company entered into a $20.0 million two year unsecured term loan with interest payable at LIBOR plus 2.25%. The proceeds were used to reduce amounts outstanding under the existing lines of credit. Also in January 2000, the Company entered into interest rate swap agreements on notional amounts totaling $20.0 million at a cost of $162,000. The agreements mature in January 2002. The swap agreements have the effect of fixing the interest rate on the new $20.0 million loan at 8.75%.

At December 31, 1999, approximately 73% of the outstanding long-term debt represented unsecured borrowings and approximately 81% of the Company's real estate portfolio was unencumbered. The weighted average interest rate on debt outstanding on December 31, 1999 was 8.2%.

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 Company receives most of its rental payments on a monthly basis, distributions to shareholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under the existing lines of credit or 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 funds from operations ("FFO"), as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis from the date of the agreement.

Market Risk

The Company is exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes.

The Company negotiates long-term fixed rate debt instruments and enters into interest rate swap agreements to manage its exposure to interest rate changes on its floating rate debt. The swaps involve the exchange of fixed and variable interest rate payments based on a contractual principal amount and time period. Payments or receipts on the agreements are recorded as adjustments to interest expense. In June 1999, the Company terminated its only interest rate swap agreement effective through October 2001 with a notional amount of $20 million. Under this agreement, the Company received a floating interest rate based on the 30 day LIBOR index and paid a fixed interest rate of 5.47%. Upon termination of the agreement, the Company received $146,000 in cash proceeds. The proceeds have been recorded as deferred income and are being amortized as a reduction to interest expense over the remaining life of the original contract term. In January 2000, the Company entered into new interest rate swap agreements on notional amounts totaling $20.0 million at a cost of $162,000.

The fair market value of long-term fixed interest rate debt is subject to interest rate risk. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The estimated fair value of the Company's total long-term debt at December 31, 1999

was $324.4 million. A 1% increase from prevailing interest rates at December 31, 1999 would result in a decrease in fair value of total long-term debt by approximately $5.0 million. Fair values were determined from quoted market prices, where available, using current interest rates considering credit ratings and the remaining terms to maturity.

Funds from Operations

Management believes that for a clear understanding of the consolidated historical operating results of the Company, FFO should be considered along with net income as presented in the audited consolidated financial statements included elsewhere in this report. FFO is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare one equity real estate investment trust ("REIT") with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate. 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.

Below is a calculation of funds from operations for the years ended December 31, 1999, 1998 and 1997 as well as actual cash flow and other data for those respective years (in thousands):

<TABLE>
<CAPTION>

	1999	1998	1997
Funds from Operations:			
<S>	<C>	<C>	<C>
Net income	$ 15,588	$ 11,827	$ 12,827
Adjusted for:			
Extraordinary item-loss on early extinguishment of debt	249	332	---
Minority interest	5,374	3,944	4,756
Depreciation and amortization uniquely significant to real estate	24,603	21,939	18,257
Gain on disposal or sale of real estate	(4,141)	(994)	---
Asset write-down	---	2,700	---
Funds from operations before minority interest (1)	$ 41,673	$ 39,748	$ 35,840
Cash flow provided by (used in):			
Operating activities	$ 43,175	$ 35,787	$ 39,214
Investing activities	$ (45,959)	$ (79,236)	$ (93,636)
Financing activities	$ (3,043)	$ 46,172	$ 55,444
Weighted average shares outstanding (2)	11,698	11,847	11,000

</TABLE>

(1) For the year ended December 31, 1999, includes $687,000 in gains on sales of outparcels of land.

(2) Assumes the partnership units of the Operating Partnership held by the minority interest, preferred shares of the Company and share and unit options are all converted to common shares of the Company.

In October 1999, the National Association of Real Estate Investment Trusts ("NAREIT") issued interpretive guidance regarding the calculation of FFO. NAREIT's leadership determined that FFO should include both recurring and non-recurring operating results, except those results defined as extraordinary items under generally accepted accounting principles and gains and losses from sales of depreciable operating property. All REITS are encouraged to implement the recommendations of this guidance effective for fiscal periods beginning in 2000 for all periods presented in financial statements or tables. The Company intends to adopt the new NAREIT clarification beginning January 1, 2000. Below is a calculation of FFO under the new proposed method as if the Company had adopted the method as of January 1, 1997.

<TABLE>
<CAPTION>

New Proposed Method	1999	1998	1997
Funds from Operations:			
<S>	<C>	<C>	<C>

Net income	$15,588	$11,827	$12,827
Adjusted for:			
Extraordinary item-loss on early extinguishment of debt	249	332	---
Minority interest	5,374	3,944	4,756
Depreciation and amortization uniquely significant to real estate	24,603	21,939	18,257
Gain on disposal or sale of real estate	(4,141)	(994)	---
Funds from operations before minority interest	$41,673	$37,048	$35,840

</TABLE>

New Accounting Pronouncements

During 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 requires entities to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at their fair value. In June 1999, the FASB issued SFAS No. 137 "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133-an amendment of the FASB Statement No. 133" that revises SFAS No. 133 to become effective in the first quarter of 2001. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of SFAS No. 133 will not have a significant effect on the Company's results of operations or its financial position.

Economic Conditions and Outlook

The majority 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 advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

While factory outlet stores continue to be a profitable and fundamental distribution channel for brand name manufacturers, some retail formats are more successful than others. As typical in the retail industry, certain tenants have closed, or will close, certain stores by terminating their lease prior to its natural expiration or as a result of filing for protection under bankruptcy laws.

As part of its strategy of aggressively managing its assets, the Company is strengthening the tenant base in several of its centers by adding strong new anchor tenants, such as Nike, GAP, Polo, Tommy Hilfiger and Nautica. To accomplish this goal, stores may remain vacant for a longer period of time in order to recapture enough space to meet the size requirement of these upscale, high volume tenants. Consequently, the Company anticipates that its average occupancy level will remain strong, but may be more in line with the industry average.

Approximately 26% of the Company's lease portfolio is scheduled to expire during the next two years. Approximately 721,000 square feet of space is up for renewal during 2000 and approximately 629,000 square feet will come up for renewal in 2001. If the Company were unable to successfully renew or release a significant amount of this space on favorable economic terms, the loss in rent could have a material adverse effect on its results of operations.

Existing tenants' sales have remained stable and renewals by existing tenants have remained strong. Approximately 221,000, or 31%, of the square feet scheduled to expire in 2000 have already been renewed by the existing tenants. In addition, the Company continues to attract and retain additional tenants. The Company's factory outlet centers typically include well known, national, brand name companies. By maintaining a broad base of creditworthy tenants and a geographically diverse portfolio of properties located across the United States, the Company reduces its operating and leasing risks. No one tenant (including affiliates) accounts for more than 7% of the Company's combined base and percentage rental revenues. Accordingly, management currently does not expect any material adverse impact on the Company's results of operation and financial condition as a result of leases to be renewed or stores to be released.

Year 2000 Compliance

The Company did not experience any systems or other Year 2000 ("Y2K") problems during January 2000. In 1999, the Company spent approximately $220,000 to upgrade or replace equipment or systems specifically to bring them in compliance with Y2K. The Company is not aware of any other significant costs to be incurred to address future Y2K problems.

There are a number of Y2K related items that may affect the Company's results of

operations. For example, the Company's spending patterns or cost relationships may have been affected by large Y2K remediation expenditures or the postponement of certain expenses. The Company's revenue patterns may have been affected by unusual tenant behavior, such as delayed openings or delayed payments of rents until after Y2K. In addition, some companies may have postponed Information Technology projects or other capital spending in preparing for Y2K which could impact the company's liquidity requirements. The Company has not experienced any of these situations and does not believe that any exist which might materially impact the Company's results of operations or liquidity.

The Company has third-party relationships with approximately 280 tenants and over 8,000 suppliers and contractors. Many of these third party tenants are publicly-traded corporations and subject to disclosure requirements. The principal risks to the Company in its relationships with third parties are the failure of third-party systems used to conduct business such as tenants being unable to stock stores with merchandise, use cash registers and pay invoices; banks being unable to process receipts and disbursements; vendors being unable to supply needed materials and services to the centers; and processing of outsourced employee payroll.

The Company's assessment of major third parties' Y2K readiness included sending surveys to tenants and key suppliers of outsourced services including stock transfer, debt servicing, banking collection and disbursement, payroll and benefits. The majority of the Company's vendors are small suppliers that the Company believes can manually execute their business and are readily replaceable. Management also believes there is no material risk of being unable to procure necessary supplies and services from third parties who have not already indicated that they are currently Y2K compliant. The Company received responses to approximately 73% of the surveys sent to tenants, banks and key suppliers. Of the companies who responded, 99% indicated they were presently, or would be by December 31, 1999, Y2K compliant. The Company is not aware of any significant third parties who are not currently Y2K compliant. However, there can be no assurance that all third parties are currently Y2K compliant and that all will be able to continue to conduct transactions with the Company successfully. There also can be no assurance that Y2K problems of third parties or of the Company's own systems which did not surface in January 2000 will not be a problem sometime in the near future.

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

2. Financial Statement Schedule

Schedule III

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. (Note 6)
3.1A	Amendment to Amended and Restated Articles of Incorporation dated May 29, 1996. (Note 6)
3.1B	Amendment to Amended and Restated Articles of Incorporation dated August 20, 1998. (Note 9)
3.1C	Amendment to Amended and Restated Articles of Incorporation dated September 30, 1999.
3.2	Restated By-Laws of the Company.
3.3	Amended and Restated Agreement of Limited Partnership for the Operating Partnership.
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)
4.3	Rights Agreement, dated as of August 20, 1998, between Tanger Factory Outlet Centers, Inc. and BankBoston, N.A., which includes the form of Articles of Amendment to the Amended and Restated Articles of Incorporation, designating the preferences, limitations and relative rights of the Class B Preferred Stock as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights as Exhibit C. (Note 8)
10.1	Amended and Restated Unit Option Plan. (Note 9)
10.2	Amended and Restated Share Option Plan of the Company. (Note 9)
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, as of January 1, 1998. (Note 9)

10.6	Amended and Restated Employment Agreement for Steven B. Tanger, as of January 1, 1998. (Note 9)
10.7	Amended and Restated Employment Agreement for Willard Albea Chafin, Jr., as of January 1, 1999. (Note 9)
10.8	Amended and Restated Employment Agreement for Rochelle Simpson, as of January 1, 1999. (Note 9)
10.9	Amended and Restated Employment Agreement for Joseph Nehmen, as of January 1, 1999. (Note 9)
10.10	Amended and Restated Employment Agreement for Frank C. Marchisello, Jr., as of January 1, 1999.
10.11	Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 2)
10.11A	Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 4)
10.12	Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Note 2)
10.13	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)

10.14	Promissory Notes by and between the Operating Partnership and John Hancock Mutual Life Insurance Company aggregating $66,500,000. (Note 10)
10.15	Form of Senior Indenture. (Note 5)
10.16	Form of First Supplemental Indenture (to Senior Indenture). (Note 5)
10.16A	Form of Second Supplemental Indenture (to Senior Indenture) dated October 24, 1997 among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and State Street Bank & Trust Company. (Note 7)
10.17	Promissory Notes by and between Stanley K. Tanger and Tanger Properties Limited Partnership dated June 25, 1999 and August 27, 1999
21.1	List of Subsidiaries.
23.1	Consent of PricewaterhouseCoopers LLP.

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, 1995.
5. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.
6. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.
7. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated October 24, 1997.
8. Incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 8-A, filed August 24, 1998.
9. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.
10. Incorporated by reference to the exhibit to the Company's Quarterly Report on 10-Q for the quarter ended March 31, 1999.

(b) Reports on Form 8-K - none.

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 28, 2000

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:

Signature	Title	Date
/s/ Stanley K. Tanger Stanley K. Tanger	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 28, 2000
/s/ Steven B. Tanger Steven B. Tanger	Director, President and Chief Operating Officer	March 28, 2000
/s/ Frank C. Marchisello, Jr. Frank C. Marchisello, Jr.	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 2000
/s/ Jack Africk Jack Africk	Director	March 28, 2000
/s/ William G. Benton William G. Benton	Director	March 28, 2000
/s/ Thomas E. Robinson Thomas E. Robinson	Director	March 28, 2000

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, shareholders' equity and cash flows present fairly, in all material respects, the financial position of Tanger Factory Outlet Centers, Inc. and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

Greensboro, NC
January 26, 2000

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 31, 1999	1998
ASSETS		
Rental Property		
Land	$ 63,045	$ 53,869
Buildings, improvements and fixtures	484,277	458,546
Developments under construction	18,894	16,832
	566,216	529,247
Accumulated depreciation	(104,511)	(84,685)
Rental property, net	461,705	444,562
Cash and cash equivalents	503	6,330
Deferred charges, net	8,176	8,218
Other assets	19,685	12,685
Total assets	$490,069	$471,795
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilites		
Long-term debt		
Senior, unsecured notes	$150,000	$150,000
Mortgages payable	90,652	72,790
Lines of credit	88,995	79,695
	329,647	302,485
Construction trade payables	6,287	9,224
Accounts payable and accrued expenses	13,081	10,723
Total liabilities	349,015	322,432
Commitments		
Minority interest	33,290	35,324
Shareholders' equity		
Preferred shares, $.01 par value, 1,000,000 shares authorized, 85,270 and 88,270 shares issued and outstanding at December 31, 1999 and 1998	1	1
Common shares, $.01 par value, 50,000,000 shares authorized, 7,876,835 and 7,897,606 shares issued and outstanding at December 31, 1999 and 1998	79	79
Paid in capital	136,571	137,530
Distributions in excess of net income	(28,887)	(23,571)
Total shareholders' equity	107,764	114,039
Total liabilities and shareholders' equity	$490,069	$471,795

The accompanying notes are an integral part of these consolidated financial statements.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31, 1999	1998	1997
REVENUES			
Base rentals	$ 69,180	$ 66,187	$ 56,807
Percentage rentals	3,141	3,087	2,637
Expense reimbursements	27,910	26,852	24,665
Other income	3,785	1,640	1,162

Total revenues	104,016	97,766	85,271
EXPENSES			
Property operating	30,585	29,106	26,269
General and administrative	7,298	6,669	6,145
Interest	24,239	22,028	16,835
Depreciation and amortization	24,824	22,154	18,439
Asset write-down	---	2,700	---
Total expenses	86,946	82,657	67,688
Income before gain on disposal or sale of real estate, minority interest and extraordinary item	17,070	15,109	17,583
Gain on disposal or sale of real estate	4,141	994	---
Income before minority interest and extraordinary item	21,211	16,103	17,583
Minority interest	(5,374)	(3,944)	(4,756)
Income before extraordinary item	15,837	12,159	12,827
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of $96 and $128	(249)	(332)	---
Net income	15,588	11,827	12,827
Less applicable preferred share dividends	(1,917)	(1,911)	(1,808)
Net income available to common shareholders	$ 13,671	$ 9,916	$ 11,019
Basic earnings per common share:			
Income before extraordinary item	$ 1.77	$ 1.30	$ 1.57
Extraordinary item	(0.03)	(0.04)	---
Net income	$ 1.74	$ 1.26	$ 1.57
Diluted earnings per common share:			
Income before extraordinary item	$ 1.77	$ 1.28	$ 1.54
Extraordinary item	(0.03)	(0.04)	---
Net income	$ 1.74	$ 1.24	$ 1.54

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

<TABLE>
<CAPTION>

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Years Ended December 31, 1999, 1998, and 1997
(In thousands, except share data)

	Preferred Shares	Common Shares	Paid in Capital	Distributions in Excess of Net Income	Total Shareholder's Equity
<S> <C> <C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1996	$ 1	$ 66	$ 112,465	$ (10,794)	$ 101,738
Conversion of 15,730 preferred shares into 141,726 common shares	---	1	(1)	---	---
Issuance of 29,700 common shares upon exercise of unit options	---	---	703	---	703
Issuance of 1,080,000 common shares, net of issuance costs	---	11	29,230	---	29,241

Compensation under unit Option Plan	---	---	234	---	234
Adjustment for minority interest in the Operating Partnership	---	---	(5,611)	---	(5,611)
Net income	---	---	---	12,827	12,827
Preferred dividends ($19.55 per share)	---	---	---	(1,789)	(1,789)
Common dividends ($2.17 per share)	---	---	---	(15,224)	(15,224)
Balance, December 31, 1997	1	78	137,020	(14,980)	122,119
Conversion of 2,419 preferred shares into 21,790 common shares	---	1	(1)	---	---
Issuance of 31,880 commn shares upon exercise of unit options	---	---	762	---	762
Repurchase and retirement of 10,000 common shares	---	---	(216)	---	(216)
Compensation under Unit Option Plan	---	---	142	---	142
Adjustment for minority interest in the Operating Partnership	---	---	(177)	---	(177)
Net income	---	---	---	11,827	11,827
Preferred dividends ($21.17 per share)	---	---	---	(1,894)	(1,894)
Common dividends ($2.35 per share)	---	---	---	(18,524)	(18,524)
Balance, December 31, 1998	1	79	137,530	(23,571)	114,039
Conversion of 3,000 preferred shares into 27,029 common shares	---	1	(1)	---	---
Issuance of 500 common shares upon exercise of unit options	---	---	12	---	12
Repurchase and retirement of 48,300 common shares	---	(1)	(957)	---	(958)
Adjustment for minority interest in the Operating Partnership	---	---	(13)	---	(13)
Net income	---	---	---	15,588	15,588
Preferred dividends ($21.76 per share)	---	---	---	(1,918)	(1,918)
Common dividends ($2.42 per share)	---	---	---	(18,986)	(18,986)
Balance, December 31, 1999	$ 1	$ 79	$ 136,571	$ (28,887)	$ 107,764

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

<TABLE>
<CAPTION>

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31, 1999	1998	1997
OPERATING ACTIVITIES			
<S>	<C>	<C>	<C>
Net income	$ 15,588	$ 11,827	$ 12,827
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	24,824	22,154	18,439
Amortization of deferred financing costs	1,005	1,076	1,094

Minority interest	5,278	3,816	4,756
Loss on early extinguishment of debt	345	460	--
Asset write-down	---	2,700	--
Gain on disposal or sale of real estate	(4,141)	(994)	--
Gain on sale of outparcels of land	(687)	---	--
Straight-line base rent adjustment	(214)	(688)	(347)
Compensation under Unit Option Plan	---	195	338
Increase (decrease) due to changes in:			
Other assets	(1,181)	(1,956)	(1,861)
Accounts payable and accrued expenses	2,358	(2,803)	3,968
Net cash provided by operating activites	43,175	35,787	39,214
INVESTING ACTIVITIES			
Acquisition of rental properties	(15,500)	(44,650)	(37,500)
Additions to rental properties	(34,224)	(35,252)	(54,795)
Additions to deferred lease costs	(1,862)	(1,895)	(1,341)
Net proceeds from sale of real estate	1,987	2,561	--
Net insurance proceeds from property losses	6,451	---	--
Advances to officer	(2,811)	---	--
Net cash used in investing activities	(45,959)	(79,236)	(93,636)
FINANCING ACTIVITIES			
Net proceeds from issuance of common shares	---	---	29,241
Repurchase of common shares	(958)	(216)	--
Cash dividends paid	(20,904)	(20,418)	(17,013)
Distributions to minority interest	(7,325)	(7,128)	(6,583)
Proceeds from mortgages payable	66,500	---	75,000
Repayments on mortgages payable	(48,638)	(1,260)	(1,154)
Proceeds from revolving lines of credit	118,555	152,760	118,450
Repayments on revolving lines of credit	(109,255)	(78,065)	(141,250)
Additions to deferred financing costs	(1,030)	(263)	(1,950)
Proceeds from exercise of unit options	12	762	703
Net cash provided by (used in) financing activities	(3,043)	46,172	55,444
Net increase (decrease) in cash and cash equivalents	(5,827)	2,723	1,022
Cash and cash equivalents, beginning of period	6,330	3,607	2,585
Cash and cash equivalents, end of period	$ 503	$ 6,330	$ 3,607

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization of the Company

Tanger Factory Outlet Centers, Inc. (the "Company"), a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), 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 31 factory outlet centers located in 22 states with a total gross leasable area of approximately 5.1 million square feet at the end of 1999. The Company provides all development, leasing and management services for its centers.

The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, Tanger Properties Limited Partnership (the "Operating Partnership"). Prior to 1999, the Company owned the majority of the units of partnership interest issued by the Operating Partnership (the "Units") and served as its sole general partner. During 1999, the Company transferred its ownership of Units into two wholly-owned subsidiaries, the Tanger GP Trust and the Tanger LP Trust. The Tanger GP Trust controls the Operating Partnership as its sole general partner. The Tanger LP Trust holds a limited partnership interest. The Tanger Family Limited Partnership ("TFLP"), holds the remaining Units as a limited partner. Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer, is the sole general partner of TFLP.

As of December 31, 1999, the Company's wholly-owned subsidiaries owned 7,876,835 Units, and 85,270 Preferred Units (which are convertible into approximately 795,309 limited partnership Units) and TFLP owned 3,033,305 Units. TFLP's Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, on a one-for-one basis for common shares of the Company. Preferred Units are automatically converted into limited partnership Units to the extent of any conversion of preferred shares of the Company into common shares of the Company.

2. Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and the Operating Partnership. All significant intercompany balances and transactions have been eliminated in consolidation.

Minority Interest - Minority interest reflects TFLP's percentage ownership of the Operating Partnership's Units. Income is allocated to the TFLP based on its respective ownership interest.

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.

Operating Segments - The Company aggregates the financial information of all its centers into one reportable operating segment because the centers all have similar economic characteristics and provide similar products and services to similar types and classes of customers.

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.

Buildings, improvements and fixtures 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 1999, 1998 and 1997 amounted to $1,242,000, $762,000, and $1,877,000, and development costs capitalized amounted to $1,711,000, $1,903,000, and $1,637,000, respectively. Depreciation expense for each of the years ended December 31, 1999, 1998 and 1997 was $23,095,000, $20,873,000, and $17,327,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The pre-construction stage of project development involves certain costs to secure land control and zoning and complete other initial tasks essential to the

development of the project. These costs are transferred from other assets to developments under construction when the pre-construction tasks are completed. Costs of potentially unsuccessful pre-construction efforts are charged to operations.

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 - Rental property held and used by an entity is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, the Company compares the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognizes an impairment loss in an amount by which the carrying amount exceeds its fair value. The Company believes that no material impairment existed at December 31, 1999.

Derivatives - 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 speculative or trading purposes. The cost of these agreements are included in deferred financing costs and are amortized on a straight-line basis over the life of the agreements. As of December 31, 1999, the Company had no such agreements.

Revenue Recognition - Base rentals are 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 specified targets that trigger the contingent rent are met. 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. Business interruption insurance proceeds received are recognized as other income over the estimated period of interruption.

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 $21.76, $21.17, and $19.55 in 1999, 1998, and 1997, 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.

<TABLE>
<CAPTION>

Common dividends per share:	1999	1998	1997
<S>	<C>	<C>	<C>
Ordinary income	$1.328	$ 1.340	$ 1.779
Return of capital	1.039	1.010	.391
Long-term capital gain	.048	---	---
	$2.415	$ 2.350	$ 2.170

</TABLE>

Concentration of Credit Risk - The Company's management performs ongoing credit evaluations of its tenants. Although the tenants operate principally in the retail industry, the properties are geographically diverse. No single tenant accounted for 10% or more of combined base and percentage rental income during 1999, 1998 or 1997.

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, 1999, 1998 and 1997 amounted to $6,287,000, $9,224,000, and $12,913,000, respectively. Interest paid, net of interest capitalized, in 1999, 1998 and 1997 was $23,179,000, $20,690,000, and $12,337,000, respectively. Other assets at December 31, 1999 include a property loss receivable of $4.2 million from the Company's property insurance carrier.

3. Deferred Charges

Deferred charges as of December 31, 1999 and 1998 consist of the following (in thousands):

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Deferred lease costs	$11,110	$ 9,551
Deferred financing costs	5,866	5,691
	16,976	15,242
Accumulated amortization	8,800	7,024
	$ 8,176	$ 8,218

</TABLE>

Amortization of deferred lease costs for the years ended December 31, 1999, 1998 and 1997 was $1,459,000, $1,019,000, and $873,000, respectively. Amortization of deferred financing costs, included in interest expense in the accompanying consolidated statements of operations, for the years ended December 31, 1999, 1998 and 1997 was $1,005,000, $1,076,000, and $1,094,000 respectively. During 1999 and 1998, the Company expensed the remaining unamortized financing costs totaling $345,000 and $460,000 related to debt extinguished prior to its respective maturity date. Such amounts are shown as extraordinary items in the accompanying consolidated statements of operations.

4. Other Assets

Included in other assets are notes receivable totaling $2.8 million from Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer. Mr. Tanger and the Company have entered into demand note agreements whereby he may borrow up to $3.5 million through various advances from the Company for an investment in a separate e-commerce business venture. The notes bear interest at a rate of 8% per annum and are collateralized by Mr. Tanger's limited partnership interest in Tanger Investments Limited Partnership. Mr. Tanger intends to fully repay the loan.

Also included in other assets is a receivable of $4.2 million from the Company's property insurance carrier. This amount, which was collected in January 2000, represents the unpaid portion of an insurance settlement of $13.4 million related to the loss of the Company's outlet center in Stroud, Oklahoma. The center was destroyed by a tornado in May 1999. Approximately $1.9 million of the settlement proceeds represented business interruption insurance. The business interruption proceeds are being amortized to other income over a period of fourteen months. The unrecognized portion of the business interruption proceeds at December 31, 1999 totaled $985,200. The remaining portion of the settlement, net of related expenses, was considered replacement proceeds for the portion of the center that was totally destroyed. As a result, the Company recognized a gain on disposal of $4.1 million during 1999. The remaining carrying value for this property consists of land and related site work totaling $1.7 million.

5. Asset Write-Down

During 1998, the Company discontinued the development of its Concord, North Carolina, Romulus, Michigan and certain other projects as the economics of these transactions did not meet an adequate return on investment for the Company. As a result, the Company recorded a $2.7 million charge in the fourth quarter of 1998 to write-off the carrying amount of these projects, net of proceeds received from the sale of the Company's interest in the Concord project to an unrelated third party.

6. Long-term Debt

Long-term debt at December 31, 1999 and 1998 consists of the following (in thousands):

<TABLE>
<CAPTION>

	1999	1998
<S> <C>	<C>	<C>
8.75% Senior, unsecured notes, maturing March 2001	$ 75,000	$ 75,000
7.875% Senior, unsecured notes, maturing October 2004	75,000	75,000

Mortgage notes with fixed interest at:		
8.625%, maturing September 2000	9,460	9,805
8.92%, maturing January 2002	---	47,405
9.77%, maturing April 2005	15,351	15,580
7.875%, maturing April 2009	65,841	---
Revolving lines of credit with variable interest rates ranging from either prime less .25% to prime or from LIBOR plus 1.55% to LIBOR plus 1.60%	88,995	79,695
	$ 329,647	$ 302,485

</TABLE>

The Company maintains revolving lines of credit which provide for borrowing up to $100 million. The agreements expire at various times through the year 2002. Interest is payable based on alternative interest rate bases at the Company's option. Amounts available under these facilities at December 31, 1999 totaled $11.0 million. Certain of the Company's properties, which had a net book value of approximately $88.9 million at December 31, 1999, serve as collateral for the fixed rate mortgages.

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

During March 1999, the Company refinanced its 8.92% notes. The refinancing reduced the interest rate to 7.875%, increased the loan amount to $66.5 million and extended the maturity date to April 2009. The additional proceeds were used to reduce amounts outstanding under the revolving lines of credit.

Maturities of the existing long-term debt are as follows (in thousands):

<TABLE>
<CAPTION>

Year	Amount	%
<S>	<C>	<C>
2000	$ 10,654	3
2001	117,291	36
2002	49,381	15
2003	1,497	---
2004	76,618	23
Thereafter	74,206	23
	$ 329,647	100

</TABLE>

In January 2000, the Company entered into a $20.0 million two year unsecured term loan with interest payable at LIBOR plus 2.25%. The proceeds were used to reduce amounts outstanding under the existing lines of credit. Also in January 2000, the Company entered into interest rate swap agreements on notional amounts totaling $20.0 million at a cost of $162,000. The agreements mature in January 2002. The swap agreements have the effect of fixing the interest rate on the new $20.0 million loan at 8.75%.

7. Derivatives and Fair Value of Financial Instruments

In October 1998, the Company entered into an interest rate swap agreement effective through October 2001 with a notional amount of $20 million that fixed the 30 day LIBOR index at 5.47%. The Company terminated this agreement in June 1999. The Company had a similar agreement with a notional amount of $10 million at a fixed 30 day LIBOR index of 5.99% that expired during 1998. The impact of these agreements had an insignificant effect on interest expense during 1999, 1998 and 1997.

In anticipation of offering the senior, unsecured notes due 2004, the Company entered into an interest rate protection agreement on October 3, 1997 which fixed the index on the 10 year US Treasury rate at 5.995% for 30 days on a notional amount of $70 million. The transaction settled on October 21, 1997, the trade date of the $75 million offering, and, as a result of an increase in the US Treasury rate, the Company received proceeds of $714,000. Such amount is being amortized as a reduction to interest expense over the life of the notes. The overall effective interest rate on the notes, after giving consideration to these proceeds, is 7.75%.

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, 1999, 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 $324.4 million.

8. Shareholders' Equity

During 1997, the Company completed an additional public offering of 1,080,000 common shares at a price of $29.0625 per share, receiving net proceeds of approximately $29.2 million. The net proceeds, which were contributed to the Operating Partnership in exchange for 1,080,000 Units, were used to acquire, expand and develop factory outlet centers and for general corporate purposes.

The Series A Cumulative Convertible Redeemable Preferred Shares (the "Preferred Shares") were sold to the public during 1993 in the form of Depositary Shares, each representing 1/10 of a Preferred Share. Proceeds from this offering, net of underwriters discount and estimated offering expenses, were contributed to the Operating Partnership in return for preferred 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 shares or portion thereof, into which a depositary share is convertible. The Preferred Shares rank senior to the common shares in respect of dividend and liquidation rights.

The Preferred Shares are convertible at the option of the holder at any time into common shares at a rate equivalent to .901 common shares for each Depositary Share. At December 31, 1999, 768,269 common shares were reserved for the conversion of Depositary Shares. 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.

The Company's Board of Directors has authorized the repurchase of up to $6 million of the Company's common shares. The timing and amount of purchases will be at the discretion of management. During 1999 and 1998, the Company purchased and retired 48,300 and 10,000 common shares at a price of $958,000 and $216,000, respectively. The amount authorized for future repurchases remaining at December 31, 1999 totaled $4.8 million.

9. Shareholders' Rights Plan

On July 30, 1998, the Company's Board of Directors declared a distribution of one Preferred Share Purchase Right (a "Right") for each then outstanding common share of the Company to shareholders of record on August 27, 1998. The Rights are exercisable only if a person or group acquires 15% or more of the Company's outstanding common shares or announces a tender offer the consummation of which would result in ownership by a person or group of 15% or more of the common shares. Each Right entitles shareholders to buy one-hundredth of a share of a new series of Junior Participating Preferred Shares of the Company at an exercise price of $120, subject to adjustment.

If an acquiring person or group acquires 15% or more of the Company's outstanding common shares, an exercisable Right will entitle its holder (other than the acquirer) to buy, at the Right's then-current exercise price, common shares of the Company having a market value of two times the exercise price of one Right. If an acquirer acquires at least 15%, but less than 50%, of the Company's common shares, the Board may exchange each Right (other than those of the acquirer) for one common share (or one-hundredth of a Class B Preferred Share) per Right. In addition, under certain circumstances, if the Company is involved in a merger or other business combination where it is not the surviving corporation, an exercisable Right will entitle its holder to buy, at the Right's then-current exercise price, common shares of the acquiring company having a market value of two times the exercise price of one Right. The Company may redeem the Rights at $.01 per Right at any time prior to a person or group acquiring a 15% position. The Rights will expire on August 26, 2008.

10. Earnings Per Share

A reconciliation of the numerators and denominators in computing earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings per Share, for the years ended December 31, 1999, 1998 and 1997 is set forth as follows (in thousands, except per share amounts):

<TABLE>
<CAPTION>

	1999	1998	1997
Numerator:			
<S>	<C>	<C>	<C>
Income before extraordinary item	$ 15,837	$ 12,159	$ 12,827
Less applicable preferred share dividends	(1,917)	(1,911)	(1,808)
Income available to common shareholders -			

numerator for basic and diluted earnings per share	13,920	10,248	11,019
Denominator:			
Basic weighted average common shares	7,861	7,886	7,028
Effect of outstanding share and unit options	11	123	112
Diluted weighted average common shares	7,872	8,009	7,140
Basic earnings per share before extraordinary item	$ 1.77	$ 1.30	$ 1.57
Diluted earnings per share before extaordinary item	$ 1.77	$ 1.28	$ 1.54

</TABLE>

Options to purchase common shares excluded from the computation of diluted earnings per share during 1999, 1998 and 1997 because the exercise price was greater than the average market price of the common shares totaled 683,218, 268,569, and 9,000 shares. The assumed conversion of the preferred shares as of the beginning of each year would have been anti-dilutive. The assumed conversion of the Units held by TFLP 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 common share.

11. Employee Benefit Plans

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

Had compensation cost for these plans been determined for options granted since January 1, 1995 consistent with Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS 123), the Company's net income and earnings per share would have been reduced to the following pro forma amounts (in thousands, except per share amounts):

<TABLE>
<CAPTION>

		1999	1998	1997
<S>		<C>	<C>	<C>
Net income:	As reported	$ 15,588	$ 11,827	$ 12,827
	Pro forma	15,387	$ 11,651	$ 12,696
Basic EPS:	As reported	$ 1.74	$ 1.26	$ 1.57
	Pro forma	$ 1.71	$ 1.24	$ 1.55
Diluted EPS:	As reported	$ 1.74	$ 1.24	$ 1.54
	Pro forma	$ 1.71	$ 1.22	$ 1.53

</TABLE>

Because the SFAS 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 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 1999 and 1998, respectively: expected dividend yields of 10%; expected lives ranging from 5 years to 7 years; expected volatility 20%; and risk-free interest rates ranging from 4.72% to 5.50%.

The Company may issue up to 1,750,000 shares under The Share Option Plan and The Unit Option Plan. The Company has granted 1,343,070 options, net of options forfeited, through December 31, 1999. Under both plans, the option exercise price is determined by the Share and Unit Option Committee of the Board of Directors. Non-qualified share 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.

Options outstanding at December 31, 1999 have exercise prices between $22.125 and $31.25, with a weighted average exercise price of $24.63 and a weighted average remaining contractual life of 6.2 years.

Unamortized share compensation, which relates to options that were granted at an exercise price below the fair market value at the time of grant, was fully amortized in 1998. Compensation expense recognized during 1998 and 1997 was $195,000, and $338,000, respectively.

A summary of the status of the Company's two plans at December 31, 1999, 1998

and 1997 and changes during the years then ended is presented in the table and narrative below:

	1999		1998		1997	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
Outstanding at beginning of year	1,069,060	25.27	874,230	$23.76	915,950	$23.77
Granted	241,800	22.13	277,600	30.15	---	--
Exercised	(500)	23.80	(31,880)	23.91	(29,700)	23.68
Forfeited	(29,470)	26.94	(50,890)	26.94	(12,020)	24.41
Outstanding at end of year	1,280,890	24.63	1,069,060	$25.27	874,230	$23.76
Exercisable at end of year	742,030	24.08	608,520	$23.51	470,750	$23.46
Weighted average fair value of options granted	$1.05		$1.59		---	

The Company has 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. The employer matching contribution expense for the years 1999, 1998 and 1997 was immaterial.

12. Supplementary Income Statement Information

The following amounts are included in property operating expenses for the years ended December 31, 1999, 1998 and 1997 (in thousands):

	1999	1998	1997
Advertising and promotion	$ 8,579	$ 9,069	$ 8,452
Common area maintenance	12,296	11,929	11,113
Real estate taxes	7,396	6,202	5,004
Other operating expenses	2,314	1,906	1,700
	$ 30,585	$ 29,106	$ 26,269

13. Lease Agreements

The Company is the lessor of a total of 1,310 stores in 31 factory outlet centers, under operating leases with initial terms that expire from 2000 to 2017. Most leases are renewable for five years at the lessee's option. Future minimum lease receipts under noncancellable operating leases as of December 31, 1999 are as follows (in thousands):

2000	$ 63,730
2001	56,549
2002	46,886
2003	32,125
2004	20,449
Thereafter	44,106
	$ 263,845

---

14. Commitments and Contingencies

At December 31, 1999, commitments for construction of new developments and additions to existing properties amounted to $3.0 million. Commitments for construction represent only those costs contractually required to be paid by the Company.

The Company purchased the rights to lease land on which two of the outlet centers are situated for $1,520,000. These leasehold rights are being amortized on a straight-line basis over 30 and 40 year periods. Accumulated amortization was $566,000 and $517,000 at December 31, 1999 and 1998, respectively.

The Company's noncancellable operating leases, with initial terms in excess of one year, have terms that expire from 2000 to 2085. Annual rental payments for these leases aggregated $1,481,000, 1,090,000, and $778,000, for the years ended December 31, 1999, 1998 and 1997, respectively. Minimum lease payments for the next five years and thereafter are as follows (in thousands):

<TABLE>
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<S>	<C>	<C>
	2000	$1,821
	2001	1,759
	2002	1,705
	2003	1,550
	2004	1,507
	Thereafter	55,164
		$63,506

</TABLE>

The Company is also subject to legal proceedings and claims which have arisen in the ordinary course of its business and have not been finally adjudicated. In management's opinion, the ultimate resolution of these matters will have no material effect on the Company's results of operations or financial condition.

15. Quarterly Financial Information

The following table sets forth summary quarterly financial information for the years ended December 31, 1999 and 1998 (unaudited and in thousands, except per share data).

<TABLE>
<CAPTION>

1999 by Quarter	First	Second	Third	Fourth
<S>	<C>	<C>	<C>	<C>
Total revenues	$24,163	$25,139	$26,905	$27,809
Income before minority interest and extraordinary item	3,452	3,757	6,188	7,814
Income before extraordinary item	2,626	2,844	4,597	5,770
Net income	2,377	2,844	4,597	5,770
Basic earnings per common share:				
Income before extraordinary item (1)	.27	.30	.52	.67
Net income (1)	.24	.30	.52	.67
Diluted earnings per common share:				
Income before extraordinary item (1)	.27	.30	.52	.67
Net income (1)	.24	.30	.52	.67

1998 by Quarter	First	Second	Third	Fourth
Total revenues	$22,806	$24,350	$25,067	$25,543
Income before minority interest and extraordinary item	5,523	4,335	3,891	2,354
Income before extraordinary item	4,115	3,265	2,945	1,834
Net income	3,783	3,265	2,945	1,834
Basic earnings per common share:				
Income before extraordinary item (1)	.46	.35	.31	.17
Net income (1)	.42	.35	.31	.17
Diluted earnings per common share:				
Income before extraordinary item (1)	.45	.34	.31	.17
Net income (1)	.41	.34	.31	.17

</TABLE>

(1) Quarterly amounts do not add to annual amounts due to the effect of rounding on a quarterly basis.

16. Acquisitions

During 1998, the Company completed the acquisitions of two factory outlet centers containing approximately 359,000 square feet of gross leasable area for purchase prices that aggregated $44.7 million. The acquisitions were 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 properties have been included in the consolidated results of operations since the applicable acquisition date.

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 acquisitions occurred at the beginning of each period presented, nor does it purport to represent the results of operations for future periods. The following unaudited summarized pro forma results of operations reflect adjustments to present the historical information as if the all of the acquisitions had occurred as of the January 1, 1998 (unaudited and in thousands, except per share data).

<TABLE>
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	1998
<S>	<C>
Total revenues	$100,840
Income before extraordinary item	12,349
Net income	12,017
Basic net income per common share:	
Income before extraordinary item	1.32
Net income	1.28
Diluted net income per common share:	
Income before extraordinary item	1.30
Net income	1.26

</TABLE>

REPORT OF INDEPENDENT ACCOUNTANTS

Our report on the consolidated financial statements of Tanger Factory Outlet Centers, Inc. and Subsidiaries 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 26 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.

PricewaterhouseCoopers LLP

Greensboro, North Carolina
January 26, 2000

<TABLE>
<CAPTION>

TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARY
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 1999
(In thousands)

Description			Initial cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period 12/31/99 (1)	
Outlet Center Name	Location	Encumbrances	Land	Buildings, Improvements & Fixtures	Land	Buildings, Improvements & Fixtures	Land	Buildings, Improvements & Fixtures Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	$ --	$3,941	$ 12,533	$ ---	$1,110	$3,941	

$13,643 $17,584								
Blowing Rock	Blowing Rock, NC	---	1,963	9,424	---	2,032	1,963	
11,456 13,419								
Boaz	Boaz, AL	---	616	2,195	---	1,673	616	
3,868 4,484								
Bourne	Bourne, MA	---	899	1,361	---	255	899	
1,616 2,515								
Branch	North Branch, MN	---	304	5,644	249	2,514	553	
8,158 8,711								
Branson	Branson, MO	---	4,557	25,040	---	6,146	4,557	
31,186 35,743								
Casa Grande	Casa Grande, AZ	---	753	9,091	---	1,233	753	
10,324 11,077								
Clover	North Conway, NH	---	393	672	---	246	393	
918 1,311								
Commerce I	Commerce, GA	9,460	755	3,511	492	8,318	1,247	
11,829 13,076								
Commerce II	Commerce, GA	---	1,262	14,046	541	16,986	1,803	
31,032 32,835								
Dalton	Dalton, GA	11,658	1,641	15,596	---	54	1,641	
15,650 17,291								
Ft. Lauderdale	Ft. Lauderdale, FL		9,412	6,986	---	---	9,412	
6,986 16,398								
Gonzales	Gonzales, LA	---	947	15,895	17	3,908	964	
19,803 20,767								
Kittery-I	Kittery, ME	6,634	1,242	2,961	229	1,288	1,471	
4,249 5,720								
Kittery-II	Kittery, ME	---	921	1,835	529	236	1,450	
2,071 3,521								
Lancaster	Lancaster, PA	15,351	3,691	19,907	---	6,341	3,691	
26,248 29,939								
Lawrence	Lawrence, KS	---	1,013	5,542	429	865	1,442	
6,407 7,849								
LL Bean	North Conway, NH	---	1,894	3,351	---	1,026	1,894	
4,377 6,271								
Locust Grove	Locust Grove, GA	---	2,558	11,801	---	7,304	2,558	
19,105 21,663								
Martinsburg	Martinsburg, WV	---	800	2,812	---	1,256	800	
4,068 4,868								
McMinnville	McMinnville, OR	---	1,071	8,162	6	748	1,077	
8,910 9,987								
Nags Head	Nags Head, NC	---	1,853	6,679	---	1,016	1,853	
7,695 9,548								

Pigeon Forge	Pigeon Forge, TN	---	299	2,508	---	1,639	299	4,147	4,446
Riverhead	Riverhead, NY	---	---	36,374	6,152	66,736	6,152	103,110	109,262
San Marcos	San Marcos, TX	19,802	1,895	9,440	17	11,006	1,912	20,446	22,358
Sanibel	Sanibel, FL	---	4,916	23,196	---	2,121	4,916	25,317	30,233
Sevierville	Sevierville, TN	---	---	18,495	---	22,242	---	40,737	40,737
Seymour	Seymour, IN	---	1,671	13,249	---	693	1,671	13,942	15,613
Stroud	Stroud, OK	---	446	2,242	---	---	446	2,242	2,688
Terrell	Terrell, TX	---	778	13,432	---	4,387	778	17,819	18,597
West Branch	West Branch, MI	7,401	350	3,428	121	4,382	471	7,810	8,281
Williamsburg	Williamsburg, IA	20,346	706	6,781	716	11,221	1,422	18,002	19,424
		$90,652	$ 53,547	$314,189	$9,498	$188,982	$63,045	$503,171	$566,216

</TABLE>
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TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARY
SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 1999
(In thousands)

Description

Outlet Center Name	Accumulated Depreciation	Date of Construction	Life Used to Compute Depreciation in Income Statement
<S>	<C>	<C>	<C>
Barstow	$3,647	1995	(2)
Blowing Rock	786	1997 (3)	(2)
Boaz	1,600	1988	(2)
Bourne	757	1989	(2)
Branch	2,966	1992	(2)
Branson	7,739	1994	(2)
Casa Grande	4,133	1992	(2)
Clover	419	1987	(2)
Commerce I	3,923	1989	(2)
Commerce II	4,454	1995	(2)

Dalton	930	1998 (3)	(2)	
Ft. Lauderdale	44	1999 (3)	(2)	
Gonzales	6,578	1992	(2)	
Kittery-I	2,175	1986	(2)	
Kittery-II	923	1989	(2)	
Lancaster	5,913	1994 (3)	(2)	
Lawrence	1,839	1993	(2)	
LL Bean	1,786	1988	(2)	
Locust Grove	4,547	1994	(2)	
Martinsburg	1,876	1987	(2)	
McMinnville	3,021	1993	(2)	
Nags Head	685	1997 (3)	(2)	
Pigeon Forge	1,754	1988	(2)	
Riverhead	14,376	1993	(2)	
San Marcos	4,984	1993	(2)	
Sanibel	1,112	1998 (3)	(2)	
Sevierville	2,878	1997 (3)	(2)	
Seymour	3,920	1994	(2)	
Stroud	948	1992	(2)	
Terrell	4,738	1994	(2)	
West Branch	2,672	1991	(2)	
Williamsburg	6,568	1991	(2)	
	$104,511			

(1) Aggregate cost for federal income tax purposes is approximately $559,611,000
(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)Represents year acquired

TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARY
SCHEDULE III - (Continued)
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 1999
(In Thousands)

The changes in total real estate for the three years ended December 31, 1999 are as follows:

	1999	1998	1997
<S>	<C>	<C>	<C>
Balance, beginning of year	$529,247	$ 454,708	$ 358,361
Acquisition of real estate	15,500	44,650	37,500
Improvements	31,343	31,599	59,519
Dispositions and other	(9,874)	(1,710)	(672)
Balance, end of year	$566,216	$ 529,247	$ 454,708

The changes in accumulated depreciation for the three years ended December 31, 1999 are as follows:

	1999	1998	1997
<S>	<C>	<C>	<C>
Balance, beginning of year	$84,685	$ 64,177	$ 46,907
Depreciation for the period	23,095	20,873	17,327
Dispositions and other	(3,269)	(365)	(57)
Balance, end of year	$104,511	$ 84,685	$ 64,177

</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 amendment to the Amended and Restated Articles of Incorporation of the corporation was adopted by its shareholders on May 7, 1999 in the manner prescribed by law:

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

> E. The Board of Directors of the corporation is hereby expressly vested with authority to issue, and shall issue, to the extent that such issuance will not result in violation of subparagraph B(4)(b) of Article4 II hereunder, Common Shares in exchange for Units, pursuant to the Partnership Agreement, so long as the corporation or an entity all of whose equity interest is owned by the corporation remains the general partner of Tanger Properties Limited Partnership.

This the 30 day of September, 1999.

Tanger Factory Outlet Centers, Inc.

BY:

STANLEY K. TANGER,
Chairman of the Board and Chief
Executive Officer

BY-LAWS OF
TANGER FACTORY OUTLET CENTERS, INC.
[RESTATED TO REFLECT AMENDMENTS MADE APRIL 27, 1999]

1. Registered Office

The initial registered office of the Corporation shall be located at 1400 West Northwood Street, Greensboro, North Carolina, 27408 or at such other place within the State of North Carolina as may be designated by the corporation from time to time.

2. Shareholders

2.1 Annual Meetings. The annual meetings of the shareholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such date and time as shall be fixed by the Directors from time to time.

2.2 Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by the Directors, a substitute annual meeting may be called in the manner provided for the call of a special meeting in accordance with the provisions of Section 2.3 and a substitute annual meeting so called shall be designated as and shall be treated, for all purposes, as the annual meeting.

2.3 Special Meetings. Special meetings of the shareholders may be called at any time by the Directors, the Chairman of the Board of Directors, if any, the Vice Chairman of the Board of Directors, if any, the President, or by any officer instructed by the directors or the President to call the meeting. Only business within the purpose or purposes described in the notice of meeting may be conducted at a special meeting of shareholders.

2.4 Place of Meetings. All meetings of shareholders shall be held at such place, within or outside the State of North Carolina, as may be designated by the Directors from time to time.

2.5 Notice of Meetings. The corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting. Such notice shall be no fewer than ten nor more than sixty days before the meeting date. Unless the North Carolina Business Corporation Act (the "Business Corporation Act") or the articles of incorporation require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called. Unless the Business Corporation Act or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting. A shareholder may waive any notice required by the Business Corporation Act, the articles of incorporation or the Bylaws before or after the time stated in the notice. The waiver must be in writing, be signed by the shareholder entitled to the notice, and be delivered to the corporation for inclusion in the minutes or filing with the corporate records. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter before it is voted upon.

If a meeting shall be adjourned for more than one hundred and twenty (120) days notice of such adjourned meeting shall be given as in the case of an original meeting and if the adjournment shall be for less than one hundred and twenty (120) days no notice thereof need be given except that such adjournment shall be announced at the meeting at which the adjournment is taken. A shareholder may waive any notice required for a meeting, either before or after the meeting, by a written waiver, signed by the shareholder and delivered to the Corporation to be filed with the corporate records or made a part of the minutes of the meeting.

2.6 Voting Lists. After fixing the record date for each meeting, the corporation shall prepare an alphabetical list of the names of the shareholders entitled to vote at such meeting. The list must be arranged by voting group (and within each voting group, by class or series of shares) and set forth the address of, and the number of shares held by, each shareholder. The shareholder list must be available for inspection by any shareholder, beginning two (2) business days after notice of the meeting is given and continuing through the meeting at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder, or his agent or attorney, is entitled on written demand to inspect and, subject to the requirements of G.S. 55-16-02(c), to copy the list, during regular business hours and at his expense, during the period it is available for inspection. The corporation shall make the shareholders' list available at the meeting, and any shareholder, or his agent or attorney, is entitled to inspect the list at any

time during the meeting or any adjournment of the meeting.

2.7 Quorum; Adjournment. Unless the articles of incorporation or the Business Corporation Act provides otherwise, a majority of the votes entitled to be cast on a matter by a voting group constitutes a quorum of that voting group for action on that matter. The Chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

2.8 Voting. Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. If a quorum exists, action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action unless the articles of incorporation, a Bylaw adopted by the shareholders, or the Business Corporation Act requires a greater number of affirmative votes.

A shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. A telegram, telex, facsimile, or other form of wire or wireless communication appearing to have been transmitted by a shareholder, or a photocopy or equivalent reproduction of a writing appointing one or more proxies, shall be deemed a valid appointment form. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven months, unless a different period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

The corporation may establish a procedure by which the beneficial owner of shares that are registered in the name of a nominee is recognized by the corporation as a shareholder. The extent of this recognition may be determined in the procedure.

2.9 Notice of Shareholder Business and Nominations.

(a) Annual Meetings of Shareholders.

(1) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any shareholder of the corporation who was a shareholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (c) of paragraph (a)(1) of this By-Law, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall the public announcement of an

adjournment of an annual meeting commence a new time period for giving of a shareholder's notice as described above. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the shareholder

proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the corporation's books, and of such beneficial owner and (ii) the class and number of shares of the corporation which are owned beneficially and of record by such shareholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least 70 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, it if shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings of Shareholders. Only business within the purpose or purposes described in the notice of meeting may be conducted at a special meeting of shareholders. Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any shareholder of the corporation who is a shareholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the shareholder's notice required by paragraph (a)(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the

corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a shareholder's notice as described above.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Unless the Business Corporation Act, the articles of incorporation or these By-Laws require otherwise, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law, and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this By-Law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights (i) of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

2.10 Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of shareholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of shareholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The Chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting.

2.11 Action by Shareholders Without a Meeting. Any action required or permitted by the provisions of the Business Corporation Act to be taken at a shareholders' meeting may be taken without a meeting, if one or more written consents are signed by all the shareholders before or after such action, describing the action taken, are delivered to the corporation for inclusion in the minutes or filing with the corporate records. If the Business Corporation Act requires that notice of proposed action be given to nonvoting shareholders and the action is to be taken by unanimous consent of the voting shareholders, the corporation must give its nonvoting shareholders written notice of the proposed action at least ten days before the action is taken. The notice must contain or be accompanied by the same material that, under the Business Corporation Act, would have been required to be sent to nonvoting shareholders in a notice of a meeting at which the proposed action would have been submitted to the shareholders for action. Provided however, no action may be taken in lieu of convening an annual meeting of the shareholders which is in violation of the policies of the New York Stock Exchange.

2.12 Record Date for Action by Written Consent. In order that the corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is received, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the registered agent of the corporation at its corporation's principal office shown in its most recent annual report on file in the office of the Secretary of State. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

2.13 Inspectors of Written Consent. In the event of the delivery, in the manner provided by Section 2.11, to the corporation of the requisite written consent or consents to take corporate action and/or any related revocation or revocations, the corporation shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the corporation that the consents delivered to the corporation in accordance with Section 2.11 represent at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

2.14 Effectiveness of Written Consent. Every written consent shall bear the date of signature of each shareholder who signs the consent and no written consent shall be effective to take the corporate action referred to

therein unless, within 60 days of the date the earlier dated written consent was received in accordance with Section 2.10, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the corporation in the manner prescribed in Section 2.10.

2.15 Conduct of Meeting. Meetings of the shareholders shall be presided over by one of the following officers in the order of seniority and if present and acting - the Chairman of the Board of Directors, if any, the Vice-Chairman of the board, if any, the President, a Vice-President, if any, or, if none of the foregoing is in office and present and acting, by a chairman to be chosen by the shareholders. The Secretary of the corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting, but, if neither the Secretary nor an Assistant Secretary is present, the chairman of the meeting shall appoint a secretary of the meeting.

3. Board of Directors

3.1 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of, a Board of Directors.

3.2 Number Term of Office and Qualifications. A director need not be a shareholder, a citizen of the United States, or a resident of the State of North Carolina. The number of directors shall not be less than three nor more than fifteen. The number of directors may be fixed or changed, from time to time, within such minimum and maximum, by the shareholders or by the Board of Directors. If not so fixed and subject to the provisions of Subparagraph (5) of Section H of Article II of the Amended and Restated Articles of Incorporation, the number of directors shall be five. After shares are issued, only the shareholders may change the range for the size of the Board of Directors or change from a variable-range number of directors to a fixed number of directors or vice versa.

3.3 Election, Term and Vacancy. Except as provided in this Section 3.3, the directors shall be elected at the annual meeting of shareholders by a plurality of the votes cast. If a vacancy occurs on the Board of Directors, including without limitation, a vacancy resulting from an increase in the number of directors or from the failure by the shareholders to elect the full authorized number of directors, the shareholders or the Board of Directors may fill the vacancy; or if the directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the directors, or by the sole director, remaining in office. If the vacant office was held by a director elected by a voting group of shareholders, only the remaining director or directors elected by that voting group or the holders of shares of that voting group are entitled to fill the vacancy. Directors shall hold office until their successors are elected and qualified.

3.4 Removal of Directors. The shareholders may remove one or more directors with or without cause pursuant to the provisions of Section 55-8-08 of the Business Corporation Act.

3.5 Compensation of Directors. The Board may fix the compensation of directors, provided, however, that no person who is a full-time employee of the corporation shall receive any separate compensation for serving as a director of the corporation, other than reimbursement of their expenses, if any. The directors who are not officers of the corporation shall be paid their expenses, if any, and a fixed sum for their attendance at each meeting of the Board of Directors and each committee meeting. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.6 Committees. The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. The creation of a committee and the appointment of members to it must be approved by the greater of (a) a majority of all the directors in office when the action is taken, or (b) the number of directors required by the articles of incorporation or these Bylaws to take such action under the provisions of Section 55-8-24 of the Business Corporation Act. The provisions of Sections 55-8-20 through 55-8-24 of the Business Corporation Act, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors, apply to committees and their members as well. To the extent specified by the Board of Directors, the articles of incorporation, or these Bylaws, each committee may exercise the authority of the Board of Directors under Section 55-8-01 of the Business Corporation Act except such authority as may not be delegated under the Business Corporation Act.

3.7 Transactions With Interested Directors. No transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers or are financially interested ("Interested Directors") shall be either void or voidable for this reason alone, provided that such transaction shall be approved by a majority of the directors other than the Interested Directors present at the meeting of the Board of Directors

or of the committee authorizing or confirming such transaction or otherwise complies with the provisions of the Business Corporation Act with respect to transactions with interested directors.

4. Meetings of Directors

4.1 Regular Meetings. Meetings shall be held at such time as the Board shall fix, except that the first meeting of a newly elected Board shall be held as soon after its election as the directors may conveniently assemble.

4.2 Special Meetings. No call shall be required for regular meetings for which the time and place have been fixed. Special meetings may be called by or at the direction of the Chairman of the Board, if any, of the Vice-Chairman of the Board, if any, of the President, or of a majority of the directors in office.

4.3 Place of Meetings; Conference Telephone Meetings. The Board of Directors may hold regular or special meetings in or out of the State of North Carolina as such place shall be fixed by the Board. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by use of any means of communication by which all persons participating may simultaneously hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

4.4 Notice of Meetings and Waiver of Notice. Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Written, or oral, notice of the time and place shall be given for special meetings in sufficient time for the convenient assembly of the directors thereat. The notice of any meeting need not describe the purpose of the meeting. A director may waive any notice required by the Business Corporation Act, the articles of incorporation, or by these Bylaws before or after the date and time stated in the notice. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon his arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Except as hereinbefore provided, a waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records.

4.5 Quorum and Manner of Acting. A quorum of the Board of Directors consists of a majority of the number of directors prescribed in or fixed in accordance with these Bylaws. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Meetings of the Board of Directors shall be presided over by the following directors in the order of seniority and if present and acting - the Chairman of the Board, if any, the Vice-Chairman of the Board, if any, the President, or any other director chosen by the Board.

4.6 Action of Directors Without a Meeting. Action required or permitted by the Business Corporation Act to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents, signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records. Action taken under this paragraph is effective when the last director signs the consent, unless the consent specifies a different effective date.

5. Officers

5.1 Number of Officers. The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers and other officers as may be appointed by or under the authority of the Board of Directors. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

5.2 Election, Term of Office and Qualifications. The officers of the Corporation shall be appointed by the Board of Directors or by a duly appointed officer authorized by the Board of directors to appoint one or more officers or assistant officers. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been appointed.

5.3 Compensation. The compensation of all officers of the Corporation shall be fixed by or under the authority of the board of Directors, and no officer shall serve the Corporation in any other capacity and receive compensation therefor unless such additional compensation shall be duly authorized. The appointment of an officer does not itself create contract

rights.

5.4 Removal. Any officer may be removed by the board at any time with or without cause; but such removal shall not itself affect the officer's contract rights, if any, with the Corporation.

5.5 Resignation. Any officer may resign at any time by communicating his resignation to the corporation, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the corporation, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

5.6 Bonds. The Board of Directors may by resolution require any officer, agent or employee of the corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of such person's respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

5.7 Vacancies. A vacancy in any office because of death, resignation, removal, or disqualification, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed by these By-Laws for regular appointments or elections to such offices.

5.8 Chairman of the Board; President. The Chairman of the Board shall be the Chief Executive Officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The Chairman of the Board, when present, shall preside at all meetings of the shareholders and of the Board of Directors.

The President shall be the Chief Operating Officer of the Corporation and, subject to the control of the Board of Directors, shall be responsible for the conduct of the business and affairs of the Corporation. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

The Chief Executive Officer, or the President shall sign, with the Secretary, an Assistant Secretary, or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation. The Chief Executive Officer or the President shall sign any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other or additional officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

5.8 Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Executive Vice-President, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Executive Vice-President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the Corporation; and shall perform such other duties as from time to time may be prescribed by the President or Board of Directors.

5.9 Secretary. The Secretary shall: (a) keep the minutes of the meetings of shareholders, of the Board of Directors, and of all committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) maintain and authenticate the records of the Corporation and be custodian of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (d) sign with the President, or the Executive Vice-President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (e) maintain and have general charge of the share transfer books of the Corporation; (f) prepare or cause to be prepared shareholder lists prior to each meeting of shareholders as required by law; (g) attest the signature or certify the incumbency or signature of any officer of the Corporation; and (h) in general perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

5.10 Assistant Secretaries. In the absence of the Secretary or in the event of the Secretary's death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be prescribed by the Secretary, by the President, or by the Board of Directors. Any Assistant Secretary may sign, with the President or a Vice-President, certificates for shares of the Corporation.

5.11 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such depositories as shall be selected by or under the authority of the Board of Directors; (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, annual financial statements of the Corporation that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each shareholder within 120 days after the end of such fiscal year; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

5.12 Assistant Treasurers. In the absence of the Treasurer or in the event of the Treasurer's death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be prescribed by the Treasurer, by the President or by the Board of Directors.

6. Contracts, Loans, Checks and Deposits.

6.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or to execute and deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

6.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name, unless as authorized by the Board of Directors. Such authority may be general or confined to specific instances.

6.3 Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by the Board of Directors.

6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as may be selected by or under the authority of the Board of Directors.

6.5 Exercise of Ownership Rights. Any share or other ownership interest in any other corporation, partnership or other entity which may from time to time be held by the Corporation may be represented and voted at any meeting of shareholders, partners or members of such other corporation, partnership or other entity by any officer duly authorized to so act on behalf of the Corporation by the Board of Directors or if no officer is so authorized, by either the Chief Executive Officer, the President or the Executive Vice President or by any proxy appointed in writing by the Chief Executive Officer, the President or the Executive Vice President.

Either of the Chief Executive Officer or the President is expressly authorized to act on behalf of the Corporation in carrying out and performing the duties and responsibilities of the Corporation as the general partner of Tanger Properties Limited Partnership (the "Operating Partnership") and, acting for the Corporation as general partner, either the Chief Executive Officer or the President shall have general charge of the business, affairs and property of the Operating Partnership and control over its agents and employees in accordance with the Operating Partnership Agreement.

7. Certificates for Shares and Their Transfer

7.1 Certificate for Shares. Certificates evidencing fully-paid shares of the corporation shall set forth thereon the statements prescribed by Section 55-6-25 of the Business Corporation Act and by any other applicable provision of law, shall be signed, either manually or in facsimile, by any two of the following officers: the President, a Vice-President, the Secretary, an Assistant Secretary, the Treasurer, an Assistant Treasurer, or by any two officers designated by the Board of Directors, and may bear the corporate seal or its facsimile. If a person who signed in any capacity, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate is nevertheless valid.

7.2 Fractional Shares or Scrip. The corporation may issue fractions of a share or pay in money the value of fractions of a share; arrange for disposition of fractional shares by the shareholders; and issue scrip in registered or bearer form entitling the holder to receive a full share upon surrendering enough scrip to equal a full share. Each certificate representing scrip must be conspicuously labeled "scrip" and must contain the information required by subsection (b) of Section 55-6-25 of the Business Corporation Act.

The holder of a fractional share is entitled to exercise the rights of a shareholder, including the right to vote, to receive dividends, and to participate in the assets of the corporation upon liquidation. The holder of scrip is not entitled to any of these rights unless the scrip provides for them. The Board of Directors may authorize the issuance of scrip subject to any condition considered desirable, including (a) that the scrip will become void if not exchanged for full shares before a specified date; and (b) that the shares for which the scrip is exchangeable may be sold and the proceeds paid to the script holders.

7.3 Transfers of Shares. Upon compliance with any provisions restricting the transferability of shares that may be set forth in the articles of incorporation, these Bylaws, or any written agreement in respect thereof, transfers of shares of the corporation shall be made only on the books of the corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with a transfer agent or a registrar and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon, if any. Except as may be otherwise provided by law, the articles of incorporation or these Bylaws, the person in whose name shares stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation; provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary of the corporation, shall be so expressed in the entry of transfer.

7.4 Record Date for Shareholders. In order to determine the shareholders who are entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action, the Board of Directors of the corporation may fix a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy days before the meeting or action requiring such determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty days after the date fixed for the original meeting.

8. Indemnification.

8.1 General Indemnification of Officers and Directors. The corporation shall to the fullest extent permitted by the provisions of the North Carolina Business Corporation Act, as the same may be amended and supplemented, indemnify officers and directors whom it shall have power to indemnify under said

provisions from and against any and all of the fees, expenses, charges, liabilities or obligations referred to in or covered by said provisions, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, any other Bylaw, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.2 Specific Indemnified. Without in any way limiting the indemnification provided in Section 8.1 hereof, the corporation shall indemnify and hold harmless each of the following described persons, including the estate or personal representative of such person, against any and all the liabilities and expenses described below:

(a) Any person who serves or has served as a director or officer shall be indemnified against (i) any liability for or obligation to pay expenses, including attorneys' fees, as and when incurred by such person, in connection with any proceeding arising out of his status as a director or officer or any activities of such person in his capacity as a director or officer and (ii) any liability for or obligation to pay any judgment, settlement, penalty or fine (including an excise tax assessed with respect to an employee benefit plan) in any such proceeding; and

(b) Any person who serves or has served as a director or officer and who, at the request of the corporation, serves or has served as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan shall be indemnified against (i) any liability for or obligation to pay expenses, including attorneys' fees, incurred by such person in connection with any proceeding arising out of his status as a director or officer of the corporation and\or as a director, officer, partner, trustee, employee or agent of such other corporation, partnership, joint venture, trust or other enterprise and\or as a trustee or administrator under an employee benefit plan or any activities of such person in any of such capacities and (ii) any liability for or obligation to pay any judgment, settlement, penalty or fine (including an excise tax assessed with respect to an employee benefit plan) in any such proceeding.

Provided however, such indemnification will not extend to any liability or expense such person may incur on account of his activities which, at the time taken, were known or believed by him to be clearly in conflict with the best interests of the corporation.

The term "proceeding" as used herein includes any threatened, pending or completed civil, criminal, administrative or investigative action, suit or proceeding (and any appeal therein), whether formal or informal and whether or not brought by or on behalf of the corporation.

8.3 Board Assistance. The Board of Directors shall take all such action as maybe necessary and appropriate to authorize the corporation to pay, and to have the corporation pay, the indemnification required by this Section 8. To the extent required by law, the Board shall give notice to, and obtain approval by, the shareholders of the corporation for any decision to indemnify.

8.4 Contract Right; Reliance Upon Corporation's Indemnification. Any person who at any time after the effective date of this by-law serves or has served in a capacity that would entitle him to be indemnified under the foregoing provisions of this Section 8 shall be deemed to be serving and acting, or to have served and acted, in such capacity in reliance upon, and as consideration for, the corporation's agreement to provide the indemnification described in this Section 8. Any such person, or his legal representative, shall have a right to require the corporation to provide the indemnification described herein. The rights provided in this Section 8 shall be contract rights fully enforceable by each beneficiary thereof, and shall be in addition to, and not exclusive of, any other right to indemnification provided by contract or under applicable law.

8.5 Expenses of Enforcing Indemnification. The corporation agrees to and shall reimburse any person for whom indemnification is provided pursuant to this Section for all reasonable costs, expenses and attorneys' fees (including the costs of investigation and preparation) as and when incurred by such person in connection with the enforcement of such person's right to the indemnification granted by this Section and shall advance such amounts to such person upon demand therefor. Such reimbursable amounts shall be recoverable in any action brought to enforce the right to the indemnification granted by this Section.

9. General Provisions

9.1 Corporate Seal. The corporate seal shall be in such form as shall be required by law and as shall be approved from time to time by the Board of Directors.

9.2 Fiscal Year. The fiscal year of the corporation shall be fixed, and shall be subject to change, by the
Board of Directors.

9.3 Statutory Notices to Shareholders. The Board of Directors may appoint the Treasurer or other fiscal officer and/or the Secretary or any other officer to cause to be prepared and furnished to shareholders entitled thereto any special financial notice and/or any financial statement, which may be required by any provision of law, and which, more specifically, may be required by Sections 55-16-20 and 55-16-21 of the Business Corporation Act.

9.4 Waiver of Notice. Whenever any notice is required to be given to any shareholder or director under the provisions of the North Carolina Business Corporation Act or under the provisions of the Charter or By-Laws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

9.5 Meaning of Certain Terms. As used herein in respect of the right to notice of a meeting of shareholders or a waiver thereof or to participate or vote thereat or to consent or dissent in writing in lieu of a meeting, as the case may be, the term "share" or "shares" or "shareholder" or "shareholders" refers to an outstanding share or shares and to a holder or holders of record of outstanding shares when the corporation is authorized to issue only one class of shares, and said reference is also intended to include any outstanding share or shares and any holder or holders of record of outstanding shares of any class upon which or upon whom the articles of incorporation confer such rights where there are two or more classes or series of shares or upon which or upon whom the Business Corporation Act confers such rights notwithstanding that the articles of incorporation might provide for more than one class or series of shares, one or more of which are limited or denied such rights thereunder.

9.6 Amendments. The Board of Directors may amend or repeal these Bylaws unless the articles of incorporation or the Business Corporation Act reserves this power exclusively to the shareholders in whole or in part, or the shareholders in amending or repealing a particular Bylaw provide expressly that the Board of Directors may not amend or repeal that Bylaw. The shareholders may amend or repeal these Bylaws even though the Bylaws may also be amended or repealed by the Board of Directors. A Bylaw that fixes a greater quorum or voting requirement for the Board of Directors may be amended or repealed only in accordance with the provisions of Section.3.310-22 of the Business Corporation

Act.

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
TANGER PROPERTIES LIMITED PARTNERSHIP

TABLE OF CONTECTS

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP OF
TANGER PROPERTIES LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP, dated as of December 30, 1999 and effective on the Transfer Date (as defined below), is entered into by and among Tanger GP Trust, a Maryland business trust, as the General Partner; Tanger LP Trust, a Maryland business trust, as a Limited Partner; Tanger Family Limited Partnership, a North Carolina limited partnership, as a Limited Partner; and Tanger Factory Outlet Centers, Inc., a North Carolina corporation (the "Initial General Partner") that will not be a partner hereto after the Transfer Date; together with any other Persons who become Partners in the Partnership as provided herein.

ARTICLE 1
DEFINED TERMS

Section 1.1 Definitions.

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"Act" means the North Carolina Revised Uniform Limited Partnership Act, as it may be amended from time to time, and any successor to such statute.

"Additional Funds" shall have the meaning set forth in Section 4.5.A.

"Additional Limited Partner" means a Person admitted to the Partnership as a Limited Partner pursuant to Section 12.2 hereof and who is shown as such on the books and records of the Partnership.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) decrease such deficit by any amounts which such Partner is obligated to restore pursuant to this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentence of each of Treasury Regulation Sections 1.704-2(i)(5) and 1.704-2(g); and

(ii) increase such deficit by the items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjustment Date" means, with respect to any Capital Contribution, the close of business on the Business Day last preceding the date

of the Capital Contribution, provided, that if such Capital Contribution is

being made by the General Partner in respect of the proceeds from the issuance of REIT Shares (or the issuance of other securities of the Initial General Partner exercisable for, convertible into or exchangeable for REIT Shares), then the Adjustment Date shall be as of the close of business on the Business Day last preceding the date of the issuance of such securities.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agreed Value" means (i) in the case of any Contributed Property set forth in Exhibit A and as of the time of its contribution to the Partnership, the Agreed Value of such property as set forth in Exhibit A; (ii) in the case of any Contributed Property not set forth in Exhibit A and as of the time of its contribution to the Partnership, the fair market value of such property or other consideration as determined by the General Partner, reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed; and (iii) in the case of any property distributed to a Partner by the Partnership, the fair market value of such property as determined by the General Partner at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of the distribution as determined under Section 752 of the Code and the regulations thereunder.

"Agreement" means this Amended and Restated Agreement of Limited Partnership, as it may be amended, supplemented or restated from time to time.

"Appraisal" means with respect to any assets, the opinion of an independent third party experienced in the valuation of similar assets, selected by the General Partner in good faith, such opinion may be in the form of an opinion by such independent third party that the value for such property or asset as set by the General Partner is fair, from a financial point of view, to the Partnership.

"Articles of Incorporation" means the Articles of Incorporation of the Initial General Partner filed in the state of North Carolina on March 3, 1993 as amended or restated from time to time.

"Assignee" means a Person to whom one or more Partnership Units have been transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5.

"Available Cash" means, with respect to any period for which such calculation is being made, (i) the sum of:

a. the Partnership's Net Income or Net Loss (as the case may be) for such period,

b. Depreciation and all other noncash charges deducted in determining Net Income or Net Loss for such period,

c. the amount of any reduction in reserves of the Partnership referred to in clause (ii)(f) below (including, without limitation, reductions resulting because the General Partner determines such amounts are no longer necessary),

d. the excess of the net proceeds from the sale, exchange, disposition, or refinancing of Partnership property for such period over the gain (or loss, as the case may be) recognized from any such sale, exchange, disposition, or refinancing during such period (excluding Terminating Capital Transactions), and

e. all other cash received by the Partnership for such period that was not included in determining Net Income or Net Loss for such period;

(ii) less the sum of:

a. all principal debt payments made during such period by the Partnership,

b. capital expenditures made by the Partnership during such period,

c. investments in any entity (including loans made thereto) to the extent that such investments are not otherwise described in clauses (ii)(a) or (b),

d. all other expenditures and payments not deducted in determining Net Income or Net Loss for such period,

e. any amount included in determining Net Income or Net Loss for such period that was not received by the Partnership during such period, and

f. the amount of any increase in reserves established during such period which the General Partner determines are necessary or appropriate in its sole and absolute discretion.

Notwithstanding the foregoing, Available Cash shall not include any cash received or reductions in reserves, or take into account any disbursements made or reserves, established, after commencement of the dissolution and liquidation of the Partnership.

"Bankruptcy" means any event where the General Partner, or the Partnership, as the case may be, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or insolvent, files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature, or seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for all or any substantial part of its properties, in each case, if it is a Bankruptcy of the General Partner, within the meaning of Section 59-402 of the Act (or any successor provision). In addition, the term "Bankruptcy" shall include any act under Section 59-402(5) of the Act.

"Board of Directors" means the Board of Directors of the Initial General Partner.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to be closed.

"Capital Account" means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

(a) To each Partner's Capital Account there shall be added such Partner's Capital Contributions, such Partner's share of Net Income and any items in the nature of income or gain which are specially allocated pursuant to Section 6.3 hereof, and the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner.

(b) From each Partner's Capital Account there shall be subtracted the amount of cash and the Gross Asset Value of any property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Net Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 6.3 hereof, and the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership.

(c) In the event any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) In determining the amount of any liability for purposes of subsections (a) and (b) hereof, there shall be taken into account Code section 752(c) and any other applicable provisions of the Code and Regulations.

(e) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and Section 1.704-2, and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, the General Partner, or the Limited Partners) are computed in order to comply with such Regulations, the General Partner may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Person pursuant to Article 13 of the Agreement upon the dissolution of the Partnership. The General Partner also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b) or Section 1.704-2.

"Capital Contribution" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership by such Partner.

"Certificate" means the Certificate of Limited Partnership relating to the Partnership filed in the office of the North Carolina Secretary of State, as amended from time to time in accordance with the terms hereof and the Act.

"Class A Common Limited Partnership Interest" means a Partnership Interest consisting of Class A Common Limited Partnership Units.

"Class A Common Limited Partnership Unit" means: (i) any Partnership Unit that was held by Tanger Family Partnership on the Transfer Date, without regard to any subsequent transfer of such Partnership Unit; (ii) any Partnership Unit issued pursuant to Section 4.6 of this Agreement in connection with the exercise of an option granted under the Unit Option Plan; and (iii) any Partnership Unit issued after the Transfer Date to a Limited Partner, excluding the Wholly-Owned LP Trust, or to an Additional Limited Partner pursuant to Section 4.5 of this Agreement in exchange for a Capital Contribution.

"Class B Common Limited Partnership Interest" means a Partnership Interest consisting of Class B Common Limited Partnership Units.

"Class B Common Limited Partnership Unit" means: (i) any Partnership Unit that was transferred from the Initial General Partner to the Wholly-Owned LP Trust on the Transfer Date, without regard to any subsequent transfer of such Partnership Unit; (ii) any Partnership Unit converted after the Transfer Date from a Preferred Unit pursuant to Section 4.7 of this Agreement; and (iii) any Partnership Unit issued after the Transfer Date to the Wholly-Owned LP Trust pursuant to Section 4.5 of this Agreement in exchange for a Capital Contribution.

"Class C Preferred Limited Partnership Interest" means a Partnership Interest consisting of Class C Preferred Limited Partnership Units.

"Class C Preferred Limited Partnership Unit" means any Preferred Unit that was transferred from the Initial General Partner to the Wholly-Owned LP Trust on the Transfer Date, without regard to any subsequent transfer of such Partnership Unit, the total number of which at all times shall correspond to the number of shares of Preferred Stock as provided in Section 4.7 of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time or any successor statute thereto, as interpreted by the applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"Consent" means the consent to, approval of, or vote on a proposed action by a Partner given in accordance with Article 14 hereof.

"Consent of the Class A Limited Partners" means the Consent of a Majority in Interest of the Class A Limited Partners, which Consent shall be obtained prior to the taking of any action for which it is required by this Agreement and may be given or withheld by a Majority in Interest of the Class A Limited Partners, unless otherwise expressly provided herein, in their sole and absolute discretion.

"Contributed Property" means each property or other asset, in such form as may be permitted by the Act, but excluding cash, contributed or deemed contributed to the Partnership (or deemed contributed to the Partnership on termination and reconstitution thereof pursuant to Section 708 of the Code).

"Debt" means, as to any Person, as of any date of determination, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (ii) all amounts owed by such Person to banks or other Persons in respect to reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person; (iii) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof; and (iv) lease obligations of such Person which, in accordance with generally accepted accounting principles, should be capitalized.

"Depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset

Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"Deemed Partnership Interest Value" means, as of any date, the Deemed Value of the Partnership multiplied by the applicable Partner's Percentage Interest.

"Deemed Value of the Partnership" means, as of any date, the total number of REIT Shares issued and outstanding as of the close of business on such date (excluding any treasury shares) multiplied by the Value of a REIT Share on such date, (i) minus the net fair market value of the REIT Properties determined by the Board of Directors of the Initial General Partner in good faith and (ii) divided by the combined Percentage Interests of the Wholly-Owned Trusts on such date;

"Effective Date" means June 4, 1993.

"Election Notice" is defined in Section 4.5.E.

"Exchange" shall have the meaning set forth in Section 8.6.

"Exchange Factor" initially means 1.0, provided that:

(a) in the event that the Initial General Partner

(i) declares or pays a dividend on its outstanding REIT Shares in REIT Shares to all holders of its outstanding REIT Shares or makes a distribution to all holders of its outstanding REIT Shares in REIT Shares,

(ii) splits or subdivides its REIT Shares into a larger number of REIT Shares or

(iii) affects a reverse split combines its outstanding REIT Shares into a smaller number of REIT Shares,

the Exchange Factor shall be adjusted by multiplying the Exchange Factor previously in effect by a fraction, the numerator of which shall be the number of REIT Shares issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination (assuming for such purposes that such dividend, distribution, split, subdivision, reverse split or combination has occurred as of such time), and the denominator of which shall be the actual number of REIT Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination;

(b) in the event that the Initial General Partner distributes any rights, options or warrants to all holders of its REIT Shares to subscribe for or to purchase or to otherwise acquire REIT Shares (or other securities or rights convertible into, exchangeable for or exercisable for REIT Shares) at a price per share less than Value of a REIT Share on the record date for such distribution (each a "Distributed Right"), then the Exchange Factor shall be adjusted by multiplying the Exchange Factor previously in effect by a fraction, the numerator of which shall be the number of REIT Shares issued and outstanding on the record date plus the maximum number of REIT Shares purchasable under such Distributed Rights, and the denominator of which shall be the number of REIT Shares issued and outstanding on the record date plus a fraction, the numerator of which is the maximum number of REIT Shares purchasable under such Distributed Rights times the minimum purchase price per REIT Share under such Distributed Rights, and the denominator of which is the Value of a REIT Share as of the record date; provided, that if any such Distributed Rights expire or become no longer exercisable, then the Exchange Factor shall be adjusted, effective retroactive to the date of distribution of the Distributed Rights, to reflect a reduced maximum number of REIT Shares or any change in the minimum purchase price for the purposes of the above fractions; and

(c) in the event the Initial General Partner shall, by dividend or otherwise, distribute to all holders of its REIT Shares evidences of its indebtedness or assets (including securities, but excluding any dividend or distribution referred to in clause (i) above), which evidences of indebtedness or assets relate to assets not received by the Initial General Partner or through either Wholly-Owned Trust pursuant to a pro rata distribution by the Partnership, then the Exchange Factor shall be adjusted to equal the amount determined by multiplying the Exchange Factor in effect immediately prior to the close of business on the date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be such Value of each REIT Share on the date fixed for such determination, and the denominator shall be the Value of each REIT Share on the dated fixed for such

determination less the then fair market value (as determined by the Board of

Directors, whose determination shall be conclusive) of the portion of the evidences of indebtedness or assets so distributed applicable to one REIT Share.

Any adjustment to the Exchange Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event; provided that any Limited Partner may waive, by written notice to the General Partner, the effect of any adjustment to the Exchange Factor applicable to the Units held by such Limited Partner, and thereafter, such adjustment will not be effective as to such Units.

"Exchange Right" shall have the meaning set forth in Section 8.6 hereof.

"Funding Debt" means the incurrence of any Debt by or on behalf of the General Partner for the purpose of providing funds to the Partnership.

"Funding Notice" is defined in Section 4.5.B.

"General Partner" means the Initial General Partner until the Transfer Date and thereafter, Tanger GP Trust or its successors as general partner of the Partnership.

"General Partner Interest" means a Partnership Interest held by the General Partner that is a general partnership interest. A General Partner Interest may be expressed as a number of Partnership Units.

"General Partner Loan" is defined in Section 4.5.C.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the General Partner (as set forth on Exhibit C attached hereto, as such Exhibit may be amended from time to time) provided that, if the contributing Partner is the General Partner then, except with respect to the General Partner's initial Capital Contribution which shall be determined as set forth on Exhibit C, or capital contributions of cash, the determination of the fair market value of the contributed asset shall be determined by Appraisal.

(b) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partner using such reasonable method of valuation as it may adopt, provided however, that for this purpose the net value of all of the Partnership assets, in the aggregate, shall be equal to the Deemed Value of the Partnership, regardless of the method of valuation adopted by the General Partner, as of the following times:

(i) the acquisition of an additional interest in the Partnership by a new or existing Partner in exchange for more than a de minimis Capital Contribution, if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(ii) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and

(iv) at such other times as the General Partner shall reasonably determine necessary or advisable in order to comply with Regulations Sections 1.704-1(b) and 1.704-2.

(c) The Gross Asset Value of any Partnership asset distributed to a Partner shall be the gross fair market value of such asset on the date of distribution as determined by the distributee and the General Partner, or if the distributee and the General Partner cannot agree on such a determination, by

Appraisal.

(d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that the General Partner reasonably determines that an adjustment pursuant to subparagraph (b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

(e) If the Gross Asset Value of a Partnership asset has been determined or adjusted pursuant to subparagraph (a), (b) or (c), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses.

"Holder" means either the Partner or Assignee owning a Unit.

"IRS" means the Internal Revenue Service, which administers the internal revenue laws of the United States.

"Immediate Family" means, with respect to any natural Person, such natural Person's estate or heirs or current spouse, parents, parents-in-law, children, siblings and grandchildren and any trust or estate, all of the beneficiaries of which consist of such Person or such Person's spouse, parents, parents-in-law, children, siblings or grandchildren.

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating him incompetent to manage his Person or his estate; (ii) as to any corporation which is a Partner, the filing of a

certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; (iii) as to any partnership which is a Partner, the dissolution and commencement of winding up of the partnership; (iv) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership; (v) as to any trustee of a trust which is a Partner, the termination of the trust (but not the substitution of a new trustee); or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect, (b) the Partner is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner, (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors, (d) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (b) above, (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Partner or for all or any substantial part of the Partner's properties, (f) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within 120 days after the commencement thereof, (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver of liquidator has not been vacated or stayed within 90 days of such appointment, or (h) an appointment referred to in clause (g) is not vacated within 90 days after the expiration of any such stay.

"Indemnitee" means (i) any Person made a party to a proceeding by reason of his status as (A) the General Partner or (B) a director, trustee or officer of the Partnership or the General Partner or any of the Wholly-Owned Trusts, and (ii) such other Persons (including Affiliates of the General Partner or the Partnership) as the General Partner may designate from time to time, in its sole and absolute discretion.

"Initial General Partner" means Tanger Factory Outlet Centers, Inc., a North Carolina corporation that qualifies as a REIT, which has been the general partner of the Partnership at all times prior to the Transfer Date and which is withdrawing as the general partner of the Partnership on the Transfer Date. The term "Initial General Partner" will continue to refer to Tanger Factory Outlet Centers, Inc. after the Transfer Date.

"Limited Partner" means: (i) any Person named as a Limited Partner in Exhibit A attached hereto, as such Exhibit may be amended from time to time, and without regard to any classification of the Partnership Interests held by such Person named as a Limited Partner in Exhibit A; and (ii) any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a Limited Partner in the Partnership.

"Limited Partnership Interest" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partnership Interest may be expressed as a number of Partnership Units and/or Preferred Units.

"Liquidator" has the meaning set forth in Section 13.2.A.

"Majority in Interest of the Class A Limited Partners" means those Limited Partners (other than any Limited Partner 50% or more of whose equity is owned, directly or indirectly, by the General Partner) collectively holding a number of Class A Common Limited Partnership Units that is greater than fifty percent (50%) of the aggregate number of Class A Common Limited Partnership Units of all Limited Partners (other than any Limited Partner 50% or more whose equity is owned, directly or indirectly, by the General Partner).

"Net Income" or "Net Loss" means for each fiscal year of the Partnership, an amount equal to the Partnership's taxable income or loss for such fiscal year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income or Net Loss shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income or Net Loss shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (b) or subparagraph (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year;

(f) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's interest in the Partnership, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(g) Notwithstanding any other provision of this definition of Net Income or Net Loss, any items which are specially allocated pursuant to Section 6.3 hereof shall not be taken into account in computing Net Income or Net Loss. The amounts of the items of Partnership income, gain, loss, or deduction available to be specially allocated pursuant to Section 6.3 hereof shall be determined by applying rules analogous to those set forth in this definition of Net Income or Net Loss.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Notice of Exchange" means the Notice of Exchange substantially in the form of Exhibit B to this Agreement.

"Partner" means a General Partner or a Limited Partner, and "Partners" means the General Partner and the Limited Partners.

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Debt" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(2), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"Partnership" means the limited partnership formed under the Act and pursuant to this Agreement, and any successor thereto.

"Partnership Interest" means an ownership interest in the Partnership of either a Limited Partner or the General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Partnership Units and/or Preferred Units.

"Partnership Minimum Gain" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"Partnership Record Date" means the record date established by the General Partner for the distribution of Available Cash pursuant to Section 5.1 hereof which record date shall be the same as the record date established by the Initial General Partner for a distribution to its shareholders of some or all of the portion of such distribution made to the Wholly-Owned Trusts.

"Partnership Unit" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Sections 4.1 and 4.2, but does not include Preferred Units issued pursuant to Section 4.7.

"Partnership Year" means the fiscal year of the Partnership, which shall be the calendar year.

"Percentage Interest" means, as to a Partner, its interest in the Partnership as determined by dividing the Partnership Units owned by such Partner by the total number of Partnership Units then outstanding and as specified in Exhibit A attached hereto, as such Exhibit may be amended from time to time. Preferred Units are not included in any aspect of this calculation.

"Person" means an individual or a corporation, partnership, trust, unincorporated organization, association or other entity.

"Preemptive Contribution" is defined in Section 4.5.E.

"Preferred Distribution" means an amount per Unit equal to the greater of $3.9375 or the amount described in subparagraph H(2)(a)(ii) of Article II of the Articles of Incorporation (calculated in the manner set forth in such subparagraph H(2)(a)(ii)).

"Preferred Distribution Shortfall" is defined in Section 5.1(B).

"Preferred Offering" means the public offering of the Preferred Stock pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933, as amended, initially filed with the Securities and Exchange Commission on October 6, 1993, as thereafter amended.

"Preferred Stock" means the Series A Cumulative Convertible Redeemable Preferred Shares of the Initial General Partner.

"Preferred Units" means the interests in the Partnership received by the Initial General Partner in exchange for the additional capital contribution described in Section 4.7 of this Agreement and shall include the Class C Preferred Limited Partnership Units after the Transfer Date.

"Properties" means such interests in real property and personal property including without limitation, fee interests, interests, in ground leases, interests in joint ventures, interests in mortgages, and Debt

instruments as the Partnership may hold from time to time.

"Pro Rata Contribution" is defined in Section 4.5.E.

"Public Offering Funding Amount" is defined in Section 8.6.D.

"Public Offering Funding" is defined in Section 8.6.D.

"Qualified Transferee" means an "Accredited Investor" as defined in Rule 501 promulgated under the Securities Act.

"Redemption Amount" means, with respect to any Preferred Unit, the sum of (a) the amount of any accumulated Preferred Distribution Shortfall with respect to such Preferred Unit, plus (b) $250.00, provided, however, that in the case of any Preferred Unit (or fraction thereof) redeemed as a result of a redemption of Preferred Stock pursuant to subparagraph H(8) or (10) of Article II of the Articles of Incorporation of the Initial General Partner, the Redemption Amount shall be equal to the amount paid by the Initial General Partner on account of the redemption of the equivalent amount of such Preferred Stock (including fractions thereof) pursuant to such subparagraph H(8) or (10), as applicable.

"Regulations" means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Regulatory Allocations" has the meaning set forth in Section 6.3(A)(viii) of this Agreement.

"REIT" means a real estate investment trust under Section 856 of the Code.

"REIT Properties" means any property or assets owned by the Initial General Partner directly or by any of the Wholly-Owned Trusts, excluding the Initial General Partner's interests in the Wholly-Owned Trusts, the Wholly-Owned Trusts' interests in the Partnership and any property or assets owned by the Partnership.

"REIT Requirements" has the meaning set forth in Section 5.1.

"REIT Share" shall mean a share of common stock of the Initial General Partner, but shall not, for purposes of the definition of "Exchange Factor," include any Excess Shares (as defined in the Articles of Incorporation of the Initial General Partner).

"REIT Shares Amount" shall mean a number of REIT Shares equal to the product of the number of Partnership Units made subject to an Exchange by a Limited Partner, multiplied by the Exchange Factor.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

"Specified Exchange Date" means the date of receipt by the Initial General Partner of a Notice of Exchange.

"Stock Option Plan" means the non-qualified and incentive stock option plan of the Initial General Partner.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 11.4.

"Tanger Family Partnership" means Tanger Family Limited Partnership, a North Carolina limited partnership.

"Terminating Capital Transaction" means any sale or other disposition of all or substantially all of the assets of the Partnership or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership.

"Transfer Date" means the effective date of the transfer of the entire Partnership Interest of the Initial General Partner to the Wholly-Owned Trusts, as provided in the Partnership Interest Transfer Agreement among the Initial General Partner, Tanger Family Partnership, Tanger LP Trust and Tanger GP Trust, which the parties thereto are executing concurrently with this Agreement.

"Unit Option Plan" means the Non-Qualified Unit Option Plan of the Partnership described in Section 4.6.

"Valuation Date" means the date of receipt by the Initial General Partner of a Notice of Exchange or, if such date is not a Business Day, the immediately preceding Business Day.

"Value" means, with respect to a REIT Share, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the Valuation Date. The market price for each such trading day shall be: (i) if the REIT Shares are listed or admitted to trading on any securities exchange or the NASDAQ-National Market System, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, (ii) if the REIT Shares are not listed or admitted to trading on any securities exchange or the NASDAQ-National Market System, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or (iii) if the REIT Shares are not listed or admitted to trading on any securities exchange or the NASDAQ-National Market System and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 10 days prior to the date in question) for which prices have been so reported; provided that if there are no bid and asked prices reported during the 10 days prior to the date in question, the Value of the REIT Shares shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event the REIT Shares

Amount includes rights that a holder of REIT Shares would be entitled to receive, then the Value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate; and provided further that, in connection with determining the Deemed Value of the Partnership for purposes of determining the number of additional Partnership Units issuable upon a Capital Contribution funded by an underwritten public offering of REIT Shares, then the Value of the REIT Shares shall be the public offering price per share of the REIT Shares sold.

"Wholly-Owned LP Trust" means Tanger LP Trust.

"Wholly-Owned Trust" means Tanger GP Trust or Tanger LP Trust.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1 Organization

The Partnership is a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

The Partnership was initially formed with an initial contribution of $1.00 by the Initial General Partner for one Partnership Unit of general partnership interest, and an initial contribution of $1.00 by Tanger Family Limited Partnership, a North Carolina limited partnership, for one Partnership Unit of limited partnership interest. Upon the Effective Date, the contributions specified on Exhibit A as being made on the Effective Date were made and the Partnership Units specified therein have been issued. Upon such issuance, the initial Partnership Unit issued to the Initial General Partner and the initial Partnership Unit issued to Tanger Family Limited Partnership were redeemed for the price of $1.00 each.

Section 2.2 Name

The name of the Partnership is Tanger Properties Limited Partnership. The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "LP.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

Section 2.3 Registered Office and Agent; Principal Office

The address of the registered office of the Partnership in the State of North Carolina is located at 1400 West Northwood Street, Greensboro, North Carolina, and the registered agent for service of process on the Partnership in the State of North Carolina at such registered office shall be as

set forth in the Certificate, as it may be amended from time to time. The principal office of the Partnership is 3200 Northline Avenue, Suite 360, Greensboro, North Carolina 27408 or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of North Carolina as the General Partner deems advisable.

Section 2.4 Power of Attorney

A. Each Limited Partner and each Assignee constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(1) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of North Carolina and in all other jurisdictions in which the Partnership may conduct business or own property; (b) all instruments that the General Partner deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (c) all conveyances and other instruments or documents that the General Partner deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (d) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article 11, 12 or 13 hereof or the Capital Contribution of any Partner; and (e) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of Partnership Interests; and

(2) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, in the sole discretion of the General Partner, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article 14 hereof or as may be otherwise expressly provided for in this Agreement.

B. The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, in recognition of the fact that each of the Partners will be relying upon the power of the General Partner to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses which may be available to contest, engage or disaffirm the action of the General Partner, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's request therefor, such further designation, powers of

attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

Section 2.5 Term

The term of the Partnership commenced on May 24, 1993 and shall continue until December 31, 2093 unless it is dissolved sooner pursuant to the provisions of Article 13 or as otherwise provided by law.

ARTICLE 3
PURPOSE

Section 3.1 Purpose and Business

The purpose and nature of the business to be conducted by the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership organized pursuant to the Act, provided, however, that such business shall be limited to and conducted in such a manner as to permit the Initial General Partner at all times to be classified as a REIT for federal income tax purposes, unless the Initial General Partner has determined to cease to qualify as a REIT, (ii) to enter into any partnership, joint venture or other similar arrangement to engage in any of the foregoing or the ownership of interests in any entity engaged in any of the foregoing and (iii) to do anything necessary or incidental to the foregoing.

Section 3.2 Powers

The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership, provided that the Partnership shall not take, or refrain from taking, any action which, in the judgment of the General Partner, in its sole and absolute discretion, (i) could adversely affect the ability of the Initial General Partner to continue to qualify as a REIT, (ii) could subject the Initial General Partner to any additional taxes under

Section 857 or Section 4981 of the Code, or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the Initial General Partner or its securities, unless any such action (or inaction) under (i), (ii) or (iii) shall have been specifically consented to by the General Partner in writing.

ARTICLE 4
CAPITAL CONTRIBUTIONS

Section 4.1 Capital Contributions of the Partners

Upon the Effective Date, the Partners made Capital Contributions as set forth in Exhibit A to this Agreement. To the extent the Partnership acquires after the date of this Agreement any property by the merger of any other Person into the Partnership, Persons who receive Partnership Interests in exchange for their interests in the Person merging into the Partnership shall become Partners and shall be deemed to have made Capital Contributions as provided in the applicable merger agreement and as set forth in Exhibit A as amended. The Partners shall own Partnership Units in the amounts set forth in Exhibit A and shall have a Percentage Interest in the Partnership as set forth in Exhibit A, which Percentage Interest shall be adjusted in Exhibit A from time to time by the General Partner to the extent necessary to reflect accurately exchanges, redemptions, Capital Contributions, the issuance of additional Partnership Units, or similar events having an effect on a Partner's Percentage Interest. Except as provided in Sections 4.5 and 10.5, the Partners shall have no obligation to make any additional Capital Contributions or loans to the Partnership.

Section 4.2 Additional Capital Contributions Generally

Except as otherwise required by law or pursuant to this Article 4, no Partner shall be required or permitted to make any additional Capital Contributions to the Partnership.

Section 4.3 Loans by Partners

Except as otherwise provided in Section 4.5, no Partner shall be required or permitted to make any loans to the Partnership.

Section 4.4 Loans by Third Parties

The Partnership may incur Debt, or enter into other similar credit, guarantee, financing or refinancing arrangements for any purpose (including, without limitation, in connection with any further acquisition of Properties) upon such terms as the General Partner determines appropriate;

provided that loans from the General Partner shall be subject to Section 4.5.C.

Section 4.5 Additional Funding and Capital Contributions

A. General. The General Partner may, at any time and from time to time, determine that the Partnership requires additional funds ("Additional Funds") for the acquisition or development of additional Properties or for such other purposes as the General Partner may determine. Additional Funds may be raised by the Partnership, at the election of the General Partner, in any manner provided in, and in accordance with, the terms of this Section 4.5. No Person shall have any preemptive rights or rights to subscribe for or acquire any Partnership Interest, except as set forth in this Section 4.5.

B. Additional General Partner Capital Contributions. Upon written notice (the"Funding Notice") to the Partners of the need for Additional Funds and theanticipated source(s) thereof, the General Partner may contribute Additional Funds to the capital of the Partnership in exchange for Partnership Units. Notwithstanding the foregoing in this Section 4.5.B, to the extent the Initial General Partner raises all or any portion of the Additional Funds through the sale or other issuance of REIT Shares or other equity interests in the Initial General Partner, the Initial General Partner shall contribute the Additional Funds to the General Partner and the General Partner shall contribute the Additional Funds to the capital of the Partnership in exchange for Partnership Units. No notice to the Partners will be given in respect of Capital Contributions under Section 4.6 or Section 4.7.

C. General Partner Loans. Upon delivery of a Funding Notice to the Partners, the General Partner may, or, to the extent the General Partner enters into a Funding Debt, the General Partner shall, lend the Additional Funds to the Partnership (a "General Partner Loan"). If the General Partner enters into such a Funding Debt, the General Partner Loan will consist of the net proceeds from such Funding Debt and will be on the same terms and conditions, including interest rate, repayment schedule and costs and expenses, as shall be applicable with respect to or incurred in connection with such Funding Debt. Otherwise, all General Partner Loans made pursuant to this Section 4.5 shall be on terms and conditions no less favorable to the Partnership than would be available to the Partnership from any third party.

D. Additional Limited Partners. Upon delivery of a Funding Notice to the Partners, the General Partner on behalf of the Partnership may raise all or any portion of the Additional Funds by accepting additional Capital Contributions, (i) in the case of cash, from the General Partner or, pursuant to Section 4.5.E hereof, any Limited Partner, or, (ii) in the case of property other than cash, from any Partner and/or third parties, and either (a) in the case of a Partner, issuing additional Units, or (b) in the case of a third party, admitting such third party as an Additional Limited Partner. Subject to the terms of this Section 4.5, the General Partner shall determine the amount, terms and conditions of such additional Capital Contributions.

E. Preemptive Rights of Partners. The Funding Notice delivered by the General Partner prior to its making or accepting (on behalf of the Partnership) any additional cash Capital Contributions pursuant to either Section 4.5.B or 4.5.D herein shall contain the total amount of additional Capital Contributions sought to be made to the Partnership, and the terms and conditions pertaining thereto. Each Partner may elect to make an additional Capital Contribution not to exceed the product of (i) the total amount of additional Capital Contributions being sought, multiplied by (ii) such Partner's Percentage Interest (with such product deemed the "Pro Rata Contribution"). Such election shall be made, if at all, by providing written notice thereof (the "Election Notice") to the General Partner within ten (10) days after delivery of the Funding Notice. Such Election Notice shall contain the amount of the additional Capital Contribution, if any, the Partner is to make (such additional Capital Contribution not to exceed the respective Pro Rata Contribution of such Partner) equal to all or any portion of its Pro Rata Contribution (with all or such portion thereof that such partner elects to make hereinafter referred to as the "Preemptive Contribution"). Notwithstanding the foregoing, no Partner shall have any preemptive rights with respect to a capital contribution under Section 4.6 or Section 4.7.

F. Additional Units. Except as provided in Section 4.6 or Section 4.7, upon the acceptance of a Capital Contribution, the contributing Partner shall receive the following number of additional whole Partnership Units (rounded down to the nearest whole Partnership Unit):

$$U1 = CC/DV \times TU$$

where

U1 = number of additional Partnership Units to be issued

CC = In the case of a contribution of Property other than cash, the Agreed Value of the Capital

Contribution; in the case of a contribution of cash, the amount of such cash, provided, however, that in the case of a contribution by the General Partner of cash proceeds from a public stock offering by the Initial General Partner, the amount of cash for this purpose shall be determined without reduction for the expenses of such offering

DV = Deemed Value of the Partnership as of the Adjustment Date for such Capital Contribution

TU = total number of Partnership Units outstanding immediately prior to the Capital Contribution

G. Required General Partner Capital Contributions. In the event that additional Partnership Units are issued to any Limited Partner for any reason, including without limitation on account of: (i) a capital contribution under this Section 4.5; (ii) the exercise of options granted under Section 4.6; or (iii) the conversion of Preferred Units under Section 4.7; the General Partner shall make a Capital Contribution to the Partnership in an amount such that the General Partner receives the number of additional Partnership Units pursuant to Section 4.5.F that is necessary to maintain the Percentage Interest held by the General Partner at not less than one percent. Any Partnership Units received by the General Partner pursuant to this Section 4.5.G shall be deemed to be a general partnership interest.

Section 4.6 Unit Option Plan

The Partnership is expressly authorized hereby to adopt a Non-Qualified Unit Option Plan (the "Unit Option Plan"), substantially in the form of Exhibit D hereto, that may grant to employees of the Partnership options to acquire Class A Common Limited Partnership Units. The number of Partnership Units authorized to be issued under the Unit Option Plan was limited initially to 600,000 Partnership Units. By an amendment to the Unit Option Plan dated January 6, 1998, the number of Partnership Units authorized to be issued under the Unit Option Plan has been increased to 1,750,000 Partnership Units. If at any time or from time to time options to acquire Units of Limited Partnership granted in connection with the Unit Option Plan are properly exercised:

(a) the consideration paid upon exercise of such options shall, as soon as practicable after such exercise, be contributed to the capital of the Partnership; and

(b) The number of Partnership Units issued in respect of exercise shall be issued to the exercising party; provided that if such party is not then a Limited Partner, that such party become an additional Limited Partner hereunder pursuant to Section 12.2 hereof.

Section 4.7 Preferred Contributions

A. General. Upon the closing of the Preferred Offering, the Initial General Partner contributed to the Partnership proceeds of such Preferred Offering in the amount set forth in Exhibit A-1 to this Agreement. The Initial General Partner received Preferred Units of the Partnership in an amount equal to the number of shares of Preferred Stock sold in such Preferred Offering, which Preferred Units are entitled to receive distributions and to such other rights as are set forth in this Agreement.

B. Conversion of Preferred Units. If, at any time, holders of Preferred Stock shall convert such Preferred Stock, in whole or in part (including fractions thereof), into REIT Shares, then a number of Preferred Units equal to the number of shares of Preferred Stock (including fractions thereof) so converted shall automatically be converted into Class B Common Limited Partnership Units, and the Partners' Percentage Interests shall be adjusted to reflect such conversion.

C. Redemption of Preferred Units. If, at any time, shares of Preferred Stock are redeemed (whether automatically or at the option of the Initial General Partner), the Partnership shall redeem an equal number of Preferred Units upon the terms set forth in Section 5.1(C).

ARTICLE 5
DISTRIBUTIONS

Section 5.1 Requirement, Characterization, and Priority of Distributions

(A) Requirement and Characterization of Distributions. The General Partner shall cause the Partnership to distribute quarterly all, or such portion as the General Partner may in its discretion determine, of the Available Cash generated by the Partnership during such quarter in the priority set forth

in subparagraphs (B) and (C) of this Section 5.1. The General Partner shall take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the Initial General Partner's qualification as a REIT, (i) to cause the Partnership to distribute sufficient amounts to the Wholly-Owned Trusts, pro rata, which amounts shall be transferred to the Initial General Partner, to enable the Initial General Partner to pay shareholder dividends that will (a) satisfy the requirements for qualifying as a REIT under the Code and Regulations ("REIT Requirements"), and (b) avoid any federal income or excise

tax liability of the Initial General Partner, and (ii) to distribute Available Cash to the Limited Partners so as to preclude any such distribution or portion thereof from being treated as part of a sale of property to the Partnership by a Limited Partner under Section 707 of the Code or the Regulations thereunder; provided that the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any distribution to a Limited Partner being so treated.

(B) Priority of Distributions. To the extent Available Cash is distributed pursuant to subsection (A) of this Section 5.1, such distributions shall be made each quarter in the following order of priority:

(2) First, to the extent that the amount of cash distributed to the Holders of Preferred Units for any prior quarter was less than the Preferred Distribution for each of the outstanding Preferred Units for such quarter, and has not been subsequently distributed pursuant to this subsection (B)(1) or pursuant to subsection (C) (a "Preferred Distribution Shortfall"), Available Cash shall be distributed to the Holders of Preferred Units in an amount necessary to satisfy such Preferred Distribution Shortfall for the current and all prior Partnership Years;

(3) Second, Available Cash shall be distributed to the Holders of Preferred Units on the Partnership Record Date in an amount equal to the Preferred Distribution for each outstanding Preferred Unit; and

(4) The balance of the Available Cash to be distributed, if any, shall be distributed to the Holders of Partnership Units on the Partnership Record Date with respect to such quarter, pro rata in accordance with the respective number of Partnership Units so held on such Partnership Record Date.

(C) Notwithstanding subparagraph (B) of this Section 5.1, in any quarter during which the Partnership redeems any outstanding Preferred Units, Available Cash shall first be distributed to the Wholly-Owned LP Trust in an amount equal to the sum of the Redemption Amounts for each such Preferred Unit redeemed.

Section 5.2 Distributions in Kind

No right is given to any Partner to demand and receive property or cash. The General Partner may determine, in its sole and absolute discretion, to make a distribution in kind to the Partners of Partnership assets, and such assets shall be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in accordance with Articles 5, 6 and 13.

Section 5.3 Amounts Withheld

All amounts withheld pursuant to the Code or any provisions of any state or local tax law and Section 10.5 hereof with respect to any allocation, payment or distribution to the General Partner, the Limited Partners or Assignees shall be treated as amounts distributed to the General Partner, Limited Partners or Assignees, as the case may be, pursuant to Section 5.1 for all purposes under this Agreement.

Section 5.4 Distributions Upon Liquidation

Notwithstanding the foregoing, proceeds from a Terminating Capital Transaction shall be distributed to the Partners in accordance with Section 13.2.

ARTICLE 6
ALLOCATIONS

Section 6.1 Timing and Amount of Allocations of Net Income and Net Loss

Net Income and Net Loss of the Partnership shall be determined and allocated with respect to each fiscal year of the Partnership as of the end of each such year. Subject to the other provisions of this Article 6, an allocation to a Partner of a share of Net Income or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss.

Section 6.2 General Allocations

Except as otherwise provided in this Article 6, Net Income and Net Loss shall be allocated to the Holders of Partnership Units and Preferred Units in the following order of priority:

(A) First, subject to subparagraph (D) of this Section 6.2, Net Income (or, ifnecessary, items of income or gain) shall be allocated to the Holders of Preferred Units in an amount equal to the excess of (1) the amount of Available Cash distributed to such Holders pursuant to subparagraphs (B)(1) and (B)(2) and (C) (to the extent attributable to Preferred Distribution Shortfalls) of Section 5.1 for the current and all prior Partnership Years over (2) the amount of Net Income (or items of income or gain) previously allocated to such Holders pursuant to this subparagraph (A) of this Section 6.2.

(B) Second, subject to subparagraph (D) of this Section 6.2, for any Partnership Year ending on or after a date in which Preferred Units are redeemed, Net Income (or Net Loss) (or items thereof) shall be allocated to the Wholly-Owned LP Trust in an amount equal to the excess (or deficit) of (1) the sum of the Redemption Amounts for Preferred Units that have been or are being redeemed during the Partnership Year over (2) the product of $250.00 times the number of such Preferred Units. In addition, in the event that the partnership is liquidated pursuant to Article 13, the allocation described above shall be made to the Wholly-Owned LP Trust with respect to all Preferred Units then outstanding.

(C) Third, subject to subparagraphs (D) and (E) of this Section 6.2, any remaining Net Income and Net Loss (and each item thereof) shall be allocated to each of the Holders of Partnership Units in accordance with their respective Percentage Interest.

(D) Notwithstanding subparagraphs (A), (B), and (C) of this Section 6.2, the General Partner in its sole discretion shall allocate Net Income or Net Loss (or items thereof) ("Reallocated Income or Reallocated Loss") to the Partners to the extent necessary such that, after giving effect to all allocations for the Partnership Year, the combined Capital Account balance of the Wholly-Owned Trusts will have a balance that is not less than the product of (1) the number of Preferred Units held by the Wholly-Owned LP Trust multiplied by (2) $250.00.

(E) Notwithstanding subparagraph (C) of this Section 6.2 (but subject to subparagraphs (A), (B), and (D) of this Section 6.2), allocations of Reallocated Income and Reallocated Loss shall be taken into account in allocating other items of income, gain, loss and deduction among the Partners pursuant to this Section 6.2 so that, to the extent possible, the net amount of such allocations of other items and the allocations of Reallocated Income and Reallocated Loss to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the allocations of Reallocated Income and Reallocated Loss had not occurred.

Section 6.3 Additional Allocation Provisions

Notwithstanding the foregoing provisions of this Article 6:

(A) Regulatory Allocations.

(i) Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding the provisions of Section 6.2 of the Agreement, or any other provision of this Article 6, if there is a net decrease in Partnership Minimum Gain during any fiscal year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 6.3(A)(i) is intended to qualify as a "minimum gain chargeback" within the meaning of Regulation Section 1.704-2(f) which shall be controlling in the event of a conflict between such Regulation and this Section 6.3(A)(i).

(ii) Partner Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), and notwithstanding the provisions of Section 6.2 of the Agreement, or any other provision of this Article 6 (except Section 6.3(A)(i)), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any fiscal year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each General Partner and Limited Partner pursuant thereto. The items to be so allocated

shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 63(A)(ii) is intended to qualify as a "chargeback of partner nonrecourse debt minimum gain" within the meaning of Regulation Section 1.704-2(i) which shall be controlling in the event of a conflict between such Regulation and this Section 6.3(A)(ii).

(iii) Nonrecourse Deductions and Partner Nonrecourse Deductions. Any Nonrecourse Deductions for any fiscal year shall be specially allocated to the Partners in accordance with their Percentage Interests. Any Partner Nonrecourse Deductions for any fiscal year shall be specially allocated to the Partner(s) who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable, in accordance with Regulations Section 1.704-2(i).

(iv) Qualified Income Offset. If any Partner unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be allocated, in accordance with Regulations Section 1.704-1(b)(2)(ii)(d), to the Partner in an amount and manner sufficient to eliminate, to the extent required by such Regulations, the Adjusted Capital Account Deficit of the Partner as quickly as possible provided that an allocation pursuant to this Section 6.3(A)(iv) shall be made if and only to the extent that such Partner would have an Adjusted Capital Account Deficit after all other allocations provided in this Article 6 have been tentatively made as if this Section 6.3(A)(iv) were not in the Agreement. It is intended that this Paragraph 6.3(A)(iv) qualify and be construed as a "qualified income offset" within the meaning of Regulations 1.704-1(b)(2)(ii)(d), which shall be controlling in the event of a conflict between such Regulations and this Paragraph 6.3(A)(iv).

(v) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any fiscal year which is in excess of the sum of (1) the amount (if any) such Partner is obligated to restore to the Partnership, and (2) the amount such Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 6.3(A)(v) shall be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided in this Article 6 have been tentatively made as if this Section 6.3(A)(v) and Section 6.3(A)(iv) were not in the Agreement.

(vi) Limitation on Allocation of Net Loss. To the extent any allocation of Net Loss would cause or increase an Adjusted Capital Account Deficit as to any Partner, such allocation of Net Loss shall be reallocated among the other Partners in accordance with their respective Percentage Interests, subject to the limitations of this Paragraph 6.3(A)(vi).

(vii) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining

Capital Accounts as the result of a distribution to a Partner in complete liquidation of his interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the Partnership in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partners to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(viii) Curative Allocation. The allocations set forth in Sections 6.3.(A)(i), (ii), (iii), (iv), (v), (vi), and (vii) (the "Regulatory Allocations") are intended to comply with certain regulatory requirements, including the requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding the provisions of Section 6.2, the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Regulatory Allocations had not occurred.

(B) For purposes of determining a Partner's proportional share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), each Partner's interest in Partnership profits shall be such Partner's Percentage Interest.

Section 6.4 Tax Allocations

A. In General. Except as otherwise provided in this Section 6.4, for income tax purposes each item of income, gain, loss and deduction (collectively, "Tax Items") shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 6.2 and 6.3.

B. Allocations Respecting Section 704(c) Revaluations. Notwithstanding Section 6.4(A), Tax Items with respect to Partnership property that is contributed to the Partnership by a Partner shall be shared among the Partners for income tax purposes pursuant to Regulations promulgated under Section 704(c) of the Code, so as to take into account the variation, if any, between the basis of the property to the Partnership and its initial Gross Asset Value. With respect to Partnership property that is initially contributed to the Partnership upon its formation, such variation between basis and initial Gross Asset Value shall be taken into account under the "traditional method" as described in Proposed Treasury Regulation ss. 1.704-3(b) and Treasury Regulation ss. 1.704-1(c)(2). With respect to properties subsequently contributed to the Partnership, the Partnership shall account for such variation under any method approved under Section 704(c) of the Code and the applicable regulations as chosen by the General Partner. In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value (provided in Article 1 of the Agreement), subsequent allocations of Tax Items with respect to such asset shall take account of the variation, if any, between the adjusted basis of such asset and its Gross Asset Value in the same manner as under Section 704(c) of the Code and the applicable regulations.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 Management

A. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. Except as provided in Section 8.5 with respect to the Holders of Class B Common Limited Partnership Interests, the General Partner may not be removed by the Limited Partners with or without cause, except with the consent of the General Partner. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or which are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to the other provisions hereof including Section 7.3, shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, to exercise all powers set forth in Section 3.2 hereof and to effectuate the purposes set forth in Section 3.1 hereof, including, without limitation:

(1) the making of any expenditures, the lending or borrowing of money (including, without limitation, making prepayments on loans and borrowing money to

permit the Partnership to make distributions to its Partners in such amounts as will permit the Initial General Partner (so long as the Initial General Partner has determined to qualify as a REIT) to avoid the payment of any federal income tax (including, for this purpose, any excise tax pursuant to Section 4981 of the Code) and to make distributions to its shareholders sufficient to permit the Initial General Partner to maintain REIT status), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations it deems necessary for the conduct of the activities of the Partnership;

(2) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any assets of the Partnership or the merger or other combination of the Partnership with or into another entity provided, that, in the event of any sale, exchange, disposition or other transfer of any property of the Partnership, the Partnership shall no later than 15 days after the end of the calendar quarter in which such sale, exchange, disposition or other transfer becomes a taxable event to Partners, to the extent of the net cash proceeds of such sale, exchange, disposition or other transfer, effect a distribution of cash, less its then regular

quarterly distribution, in an amount such that the pro rata share thereof received by each Partner shall equal or exceed the total liability of such Partner for federal, state and local income and franchise taxes resulting from such sale, exchange, disposition or other transfer and from such distribution; provided, further, that any Partner may elect not to receive all or any part of such additional distribution and in such event, although such Partner's Capital Account will not be reduced to the extent that no distribution is received by such Partner, the Partner's Percentage Interest and the number of Partnership Units considered owned by such Partner shall not be adjusted, it being the intent that the sole effect of the election not to receive a distribution will be to increase the amount of cash or other property to be received by such Partner upon a dissolution of the Partnership;

(4) the mortgage, pledge, encumbrance or hypothecation of any assets of the Partnership, and the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct or the operations of the General Partner, the Partnership the lending of funds to other Persons and the repayment of obligations of the Partnership and any other Person in which it has an equity investment;

(5) the negotiation, execution, and performance of any contracts, leases, conveyances or other instruments that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement;

(6) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement;

(7) the selection and dismissal of employees of the Partnership or the General Partner (including, without limitation, employees having titles such as

"president," "vice president," "secretary" and "treasurer"), and agents, outside attorneys, accountants, consultants and contractors of the General Partner or the Partnership and the determination of their compensation and other terms of employment or hiring and the granting to any of such employees of Partnership options to acquire Units under the Unit Option Plan;

(8) the maintenance of such insurance for the benefit of the Partnership and the Partners as it deems necessary or appropriate;

(9) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of

interests in, and the contributions of property to any Subsidiary and any other Person in which it has an equity investment from time to time); provided that as long as the Initial General Partner has determined to continue to qualify as a REIT, the General Partner may not engage in any such formation, acquisition or contribution that would cause the Initial General Partner to fail to qualify as a REIT;

(10) the control of any matters affecting the rights and obligations of the Partnership, including the conduct of litigation and the incurring of legal expense and the settlement of claims and litigation, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(11) the undertaking of any action in connection with the Partnership's direct or indirect investment in any Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons); and

(12) subject to the other provisions in this Agreement, the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as it may adopt, provided that such methods are otherwise consistent with requirements of this Agreement.

B. Each of the Limited Partners agrees that the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the partners, notwithstanding any other provisions of this Agreement (except as provided in Section 7.3), the Act or any applicable law, rule or regulation. The execution, delivery or performance by the General Partner or the Partnership of any agreement authorized or permitted under this Agreement shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement or of any duty stated or implied by law or equity.

C. At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain (i) casualty, liability and other insurance on the properties of the Partnership and (ii) liability insurance for the Indemnities hereunder.

D. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital reserves in such amounts as the General Partner, in it sole and absolute discretion, deems appropriate and reasonable from time to time.

E. In exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner (including the General Partner) and to the Initial General Partner of any action taken by it. The General Partner and the Partnership shall not have liability to the Initial General Partner or to a Partner under any circumstances as a result of an income tax liability incurred by the Initial General Partner or such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement.

Section 7.2 Certificate of Limited Partnership

To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of North Carolina and each other state, the District of Columbia or other jurisdiction, in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5.A(4) hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners limited liability) in the State of North Carolina, any other state, or the District of Columbia or other jurisdiction, in which the Partnership may elect to do business or own property.

Section 7.3 Restrictions on General Partner's Authority

A. The General Partner may not take any action in contravention of this Agreement, including, without limitation:

(1) take any action that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(2) possess Partnership property, or assign any rights in specific Partnership property, for other than a Partnership purpose except as otherwise provided in this Agreement;

(3) admit a Person as a Partner, except as otherwise provided in this Agreement;

(4) perform any act that would subject a Limited Partner to liability as a general partner in any jurisdiction or any other liability except as provided herein or under the Act; or

(5) enter into any contract, mortgage, loan or other agreement that prohibits or restricts, or has the effect of prohibiting, the ability of a Limited Partner to exercise its rights to an Exchange in full, except with the written consent of such Limited Partner.

B. The General Partner shall not, without the prior Consent of the Class A Limited Partners, undertake, on behalf of the Partnership, any of the following actions or enter into any transaction which would have the effect of such transactions:

(1) Except as provided in Section 7.3.C., amend, modify or terminate this Agreement other than to reflect the admission, substitution, termination or withdrawal of partners pursuant to Article 12 hereof.

(2) Make a general assignment for the benefit of creditors or appoint or acquiesce in the appointment of a custodian, receiver or trustee for all or any part of the assets of the Partnership.

(3) Institute any proceeding for Bankruptcy on behalf of the Partnership.

(4) Approve or acquiesce to the transfer of the Partnership Interest of the General Partner to any Person other than the Partnership.

(5) Admit into the Partnership any Additional or Substitute General Partners.

C. Notwithstanding Section 7.3.B, the General Partner shall have the power, without any consent of any Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(1) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for

the benefit of the Limited Partners;

(2) to reflect the admission, substitution, termination, or withdrawal of Partners in accordance with this Agreement;

(3) to reflect a change that is of an inconsequential nature and does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement;

(4) to satisfy any requirements, conditions, or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law;

(5) to amend the provisions of this Agreement to protect the qualification of the Initial General Partner as a REIT because of a change in applicable law (or an authoritative interpretation thereof), a ruling of the Internal Revenue Service or if the Initial General Partner has determined to cease qualifying as a REIT; and

(6) to modify, as set forth in the definition of "Capital Account," the manner in which Capital Accounts are computed.

The General Partner will provide notice to the Limited Partners when any action under this Section 7.3.C is taken.

D. Notwithstanding Section 7.3.B and 7.3.C hereof, this Agreement shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner adversely affected if such amendment or action would (i) convert a Limited Partner's interest in the Partnership into a general partner's interest (except as the result of the General Partner acquiring such interest), (ii) modify the limited liability of a Limited Partner, (iii) alter rights of the Partner to receive distributions pursuant to Article 5 or Section 7.1.A(3), or the allocations specified in Article 6 (except as permitted pursuant to Section 4.5, 4.6, 4.7 and Section 7.3.C(3) hereof), (iv) alter or modify the rights to an Exchange or REIT Shares Amount as set forth in Section 8.6, and related definitions hereof or (v) amend this Section 7.3.D. Further, no amendment may alter the restrictions on the General Partner's authority set forth elsewhere in this Section 7.3 without the Consent specified in such section.

E. The General Partner shall not, without the prior Consent of the Holders of Class A Limited Partnership Units, so long as the Holders of the Class A Common Limited Partnership Units have at least 10% of the aggregate Percentage Interests of the Partnership, on behalf of the Partnership, take any of the following actions:

(1) Dissolve the Partnership.

(2) Agree to or consummate any merger, consolidation, reorganization or other business combination to which the Partnership is a party.

(3) Sell, dispose, convey or otherwise transfer all or substantially all of the assets of the Partnership, in one or a series of transactions.

Section 7.4 Reimbursement of the General Partner

A. Except as provided in this Section 7.4 and elsewhere in this Agreement (including the provisions of Articles 5 and 6 regarding distributions, payments and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

B. Subject to Section 15.11, the General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the ownership of interests in and operation of, or for the benefit of, the Partnership. The Limited Partners acknowledge that the General Partner's sole business is the ownership of interests in and operation of the Partnership and that such expenses are incurred for the benefit of the Partnership; provided that, the General Partner shall not be reimbursed for expenses it incurs

relating to the organization of the Partnership and the General Partner and the initial public offering of REIT Shares by the Initial General Partner or subsequent offerings of securities of the Initial General Partner. Such reimbursements shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 7.7 hereof.

C. It is the intent of the Partners that any amounts paid by the Partnership to the General Partner pursuant to this Section 7.4 be treated as a "guaranteed payment" within the meaning of Section 707(c) of the Code.

Section 7.5 Outside Activities of the General Partner and the Initial General Partner

A. The General Partner shall not directly or indirectly enter into or conduct any business, other than in connection with the ownership, acquisition and disposition of Partnership Interests as a General Partner and the management of the business of the Partnership and such activities as are incidental to same. Without the Consent of the Class A Limited Partners, the General Partner shall not, directly or indirectly, participate in or otherwise acquire any interest in any real or personal property, except its General Partner Interest, and other than such short-term liquid investments, bank accounts or similar instruments as it deems necessary to carry out its responsibilities contemplated under this Agreement and the Certificate of Incorporation. Any Limited Partner Interests acquired by the General Partner, whether pursuant to exercise by a Limited Partner of its right to an Exchange or otherwise, shall be automatically converted into a General Partner Interest comprised of an identical number of Partnership Units.

B. The Initial General Partner shall not directly or indirectly enter into or conduct any business, other than in connection with the ownership, acquisition and disposition of its interests in the Wholly-Owned Trusts, its operation as a public reporting company with a class (or classes) of securities registered under the Securities Exchange Act of 1943, as amended, its operation as a REIT and such activities as are incidental to the same. In the event the Initial General Partner exercises its rights under Article II of the Articles of Incorporation to purchase REIT Shares, then the General Partner shall cause the Partnership to purchase from the Wholly-Owned LP Trust a number of Partnership Units as determined based on the application of the Exchange Factor on the same terms that the Initial General Partner purchased such REIT Shares.

Section 7.6 Contracts with Affiliates

A. The Partnership may lend or contribute to Persons in which it has an equity investment, and such Persons may borrow funds from the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Person.

B. Except as provided in Section 7.5.A, the Partnership may transfer assets to joint ventures, other partnerships, corporations or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law.

C. The General Partner, in its sole and absolute discretion and without the approval of the Limited Partners, may propose and adopt on behalf of the Partnership employee benefit plans funded by the Partnership for the benefit of employees of the General Partner the Initial General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership, the General Partner, the Initial General Partner or any of the Partnership's Subsidiaries.

D. The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, a right of first opportunity arrangement and other conflict avoidance agreements with various Affiliates of the Partnership and the General Partner, on such terms as the General Partner, in its sole and absolute discretion, believes are advisable.

Section 7.7 Indemnification

A. The Partnership shall indemnify an Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership as set forth in this Agreement in which any Indemnitee may be involved, or is threatened to be involved, as a party or

otherwise, unless it is established that: (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) the Indemnitee actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7.A. The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or any entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7.A. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership.

B. Reasonable expenses incurred by an Indemnitee who is a party to a proceeding may be paid or reimbursed by the Partnership in advance of the final disposition of the proceeding upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in this Section 7.7.A has been met, and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

C. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

D. The Partnership may purchase and maintain insurance, on behalf of the Indemnities and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

E. For purposes of this Section 7.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it to the plan or participates or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute fines within the meaning of Section 7.7; and actions taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the Partnership.

F. In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

G. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

H. The provisions of this Section 7.7 are for the benefit of the Indemnities, their heirs, successors,assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

I. It is the intent of the Partners that any amounts paid by the Partnership to the General Partner pursuant to this Section 7.7 be treated as a "guaranteed payment" within the meaning of Section 707(c) of the Code.

Section 7.8 Liability of the General Partner

A. Notwithstanding anything to the contrary set forth in this Agreement, the General Partner shall not be liable or accountable in damages or otherwise to the Partnership, any Partners or any Assignees for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law of any act or omission if the General Partner acted in good faith.

B. The Limited Partners expressly acknowledge that the General Partner is acting for the benefit of the Partnership, the Limited Partners and the Initial General Partner and its shareholders collectively, that the General Partner is under no obligation to give priority to the separate interests of the Limited Partners or the Initial General Partner or its shareholders (including, without limitation, the tax consequences to Limited Partners or Assignees or to the Initial General Partner or its shareholders) in deciding whether to cause the Partnership to take (or decline to take) any

actions, except as expressly provided herein.

C. Subject to its obligations and duties as General Partner set forth in Section 7.1.A hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

D. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.9 Other Matters Concerning the General Partner

A. The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

B. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters which such General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

C. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty which is permitted or required to be done by the General Partner hereunder.

D. Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the Initial General Partner to continue to qualify as a REIT or (ii) to avoid the Initial General Partner incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10 Title to Partnership Assets

Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partners, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its best efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 Reliance by Third Parties

Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection

with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 Limitation of Liability

The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or under the Act.

Section 8.2 Management of Business

No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operations, management or control (within the meaning of the Act) of the Partnership's business transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 Outside Activities of Limited Partners

Subject to any agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Initial General Partner, the Partnership or a Subsidiary, any Limited Partner and any officer, director, employee, agent, trustee, Affiliate or shareholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership. Neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any

rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person, other than the General Partner, and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Limited Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.4 Return of Capital

Except pursuant to the rights of Exchange set forth in Section 8.6, no Limited Partner shall be entitled to the withdrawal or return of his Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon termination of the Partnership as provided herein. No Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions, or as otherwise expressly provided in this Agreement, as to profits, losses, distributions or credits.

Section 8.5 Rights of Limited Partners Relating to the Partnership

A. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5.D hereof, each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon written demand with a statement of the purpose of such demand and at the Partnership's expense:

(1) to obtain a copy of the most recent annual and quarterly reports filed with the Securities and Exchange Commission by the Initial General Partner

pursuant to the Securities Exchange Act of 1934, as amended, and each communication sent to the shareholders of the Initial General Partner;

(2) to obtain a copy of the Partnership's federal, state and local income tax returns for each Partnership Year;

(3) to obtain a current list of the name and last known business, residence or mailing address of each Partner;

(4) to obtain a copy of this Agreement and the Certificate and all amendments thereto, together with executed copies of all powers of attorney pursuant to which this Agreement, the Certificate and all amendments thereto have been executed; and

(5) to obtain true and full information regarding the amount of cash and a description and statement of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner.

B. The Partnership shall notify each Limited Partner in writing of any change made to the Exchange Factor within 10 Business Days of the date such change becomes effective.

C. In addition to the foregoing rights, and notwithstanding anything to the contrary in this Agreement, the Holders of the Class B Common Limited Partnership Units shall have the right at any time to remove the General Partner, with or without cause upon written notice. A substitute General Partner shall be named by the holders of a majority in interest of all of the Class A Common Limited Partnership Units. Upon such removal, the General Partner's Partnership Units shall become Class B Common Limited Partnership Units.

D. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or (ii) the Partnership or the General Partner is required by law or by agreements with unaffiliated third parties to keep confidential.

Section 8.6 Exchange Rights

A. Each Limited Partner shall have the right to require the Initial General Partner to acquire all or a portion of any Class A Common Limited Partnership Units held by such Limited Partner (such Class A Common Limited Partnership Units being hereafter "Tendered Units") in exchange for REIT Shares (an "Exchange"). By execution of this Agreement, the Initial General Partner expressly agrees to reserve for future issue, and to issue in exchange for Tendered Units, a sufficient number of its authorized but unissued REIT Shares to acquire Tendered Units pursuant to the provisions of this Section 8.6. Such Exchange shall be exercised pursuant to a Notice of Exchange delivered to the Initial General Partner by the Limited Partner who is exercising the relevant right (the "Tendering Partner"). Such Limited Partner shall have no right, with respect to any Class A Common Limited Partnership Units so transferred, to receive any distributions paid after the Specified Exchange Date.

B. The Tendering Partner effecting an Exchange shall have the right to receive, as of Specified Exchange Date, the REIT Shares Amount. The REIT Shares Amount shall be delivered as duly authorized, validly issued, fully paid and nonassessable REIT Shares, free of any pledge, lien, encumbrance or restriction, other than those provided in the Articles of Incorporation, the Securities Act of 1933, as amended (the "Securities Act") and relevant state securities or blue sky laws. Notwithstanding any delay in such delivery (but subject to Section 8.6.C, the Tendering Partner shall be deemed the owner of such REIT Shares and rights for all purposes, including with limitation, rights to vote or consent, receive dividends, and exercise rights, as of the Specified Exchange Date.

C. Notwithstanding the provisions of Section 8.6.A, 8.6.B or any other provision of this Agreement, a Limited Partner (i) shall not be entitled to effect an Exchange to the extent the ownership or right to acquire REIT Shares pursuant to such Exchange by such Partner on the Specified Exchange Date would cause such Partner or any other Person to violate the restrictions on ownership and transfer of shares set forth in the Articles of Incorporation and (ii) shall have no rights under this Agreement which would otherwise be

prohibited under the Articles of Incorporation. To the extent any attempted Exchange would be in violation of this Section 8.6.C, it shall be void ab initio to such extent and such Limited Partner shall not require any rights or economic interest in REIT Shares otherwise issuable upon such Exchange.

D. With respect to any Exchange pursuant to this Section 8.6:

(1) Concurrently with any Exchange under this Section 8.6, the Initial General Partner shall transfer all Tendered Units to the Wholly-Owned Trusts and shall allocate the Tendered Units between the Wholly-Owned Trusts in such amounts as is necessary to maintain the Percentage Interest held by the General Partner at not less than one percent. In exchange for such Tendered Units, each Wholly-Owned Trust shall issue a number of its common shares to the Initial General Partner that is equal to the number of Tendered Units transferred pursuant to such Exchange from the Initial General Partner to such Wholly-Owned Trust. All Partnership Units acquired by the General Partner pursuant to this Section 8.6 shall automatically, and without further action required, be converted into and deemed to be General Partner interests comprised of the same number of Partnership Units. Notwithstanding anything to the contrary in this Agreement, all Partnership Units acquired by the Wholly-Owned LP Trust pursuant to this Section 8.6 shall automatically, and without further action required, be converted into and deemed to be Class B Common Limited Partnership Units.

(2) The consummation of such Exchange shall be subject to the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(3) Each Tendering Partner shall continue to own all Partnership Units subject to any Exchange and be treated as a Limited Partner with respect to such Partnership Units for all purposes of this Agreement, until such Partnership Units are transferred to the Wholly-Owned Trusts and paid for on the Specified Exchange Date.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 Records and Accounting

The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, punch cards, magnetic tape,

photographs, micrographics or any other information storage device, provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

Section 9.2 Fiscal Year

The fiscal year of the Partnership shall be the calendar year.

Section 9.3 Reports

A. As soon as practicable, but in no event later than 105 days after the close of each Partnership Year, or such earlier date as they are filed with Securities and Exchange Commission, the General Partner shall cause to be mailed to each Limited Partner as of the close of the Partnership Year, an annual report containing financial statements of the Partnership, or of the Initial General Partner if such statements are prepared solely on a consolidated basis with the Initial General Partner, for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

B. As soon as practicable, but in no event later than 105 days after the close of each calendar quarter (except the last calendar quarter of each year) the General Partner shall cause to be mailed to each Limited Partner as of the last day of the calendar quarter, a report containing unaudited financial statements of the Partnership, or of the Initial General Partner, if such statements are prepared solely on a consolidated basis with the applicable law or regulation, or as the General Partner determines to be appropriate.

ARTICLE 10
TAX MATTERS

Section 10.1 Preparation of Tax Returns

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within 90 days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.2 Tax Elections

Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code, including the election under Section 754 of the Code. The General Partner shall have the right to seek to revoke any

such election (including without limitation, any election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is the best interests of the Partners.

Section 10.3 Tax Matters Partner

A. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. Pursuant to Section 6223(c)(3) of the Code, upon receipt of notice from the IRS of the beginning of an administrative proceeding with respect to the Partnership, the tax matters partner shall furnish the IRS with the name, address and profit interest of each of the Limited Partners; provided, however, that such information is provided to the Partnership by the Limited Partners.

B. The tax matters partner is authorized, but not required:

(1) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (i) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner or (ii) who is a "notice partner" (as defined in Section 6231 of the Code) or a member of a "notice group" (as defined in Section 6223(b)(2) of the Code);

(2) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "final adjustment") is mailed to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(3) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(4) to file a request for an administrative adjustment with the IRS at any time and, if any part of such

request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(5) to enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(6) to take any other action on behalf of the Partners of the Partnership in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner and the provisions relating to indemnification of the General Partner set forth in Section 7.7 of this Agreement shall be fully applicable to the tax matters partner in its capacity as such.

C. The tax matters partner shall receive no compensation for its services. All third party costs and expenses incurred by the tax matters partner in performing his duties as such (including legal and accounting fees) shall be borne by the Partnership. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm to assist the tax matters partner in discharging his duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

Section 10.4 Organizational Expenses

The Partnership shall elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 60-month period as provided in Section 709 of the Code.

Section 10.5 Withholding

Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of federal, state, local, or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Sections 1441, 1442, 1445 or 1446 of the Code. Any amount paid on behalf of or with respect to a Limited Partner shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within 15 days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution which would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the available funds of the Partnership which would, but for such payment, be distributed to the Limited Partner. Any amounts withheld pursuant to the foregoing clauses (i) or (ii) shall be treated as having been distributed to such Limited Partner.

Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 10.5. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this Section 10.5 when due, the General Partner may, in

its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Limited Partner (including, without limitation, the right to receive distributions). Any amounts payable by a Limited Partner hereunder shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal, plus four percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., 15 days after demand) until such amount is paid in full. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

ARTICLE 11
TRANSFERS AND WITHDRAWALS

Section 11.1 Transfer

A. The term "transfer," when used in this Article 11 with respect to a Partnership Unit, shall be deemed to refer to a transaction by which the General Partner purports to assign its General Partner Interest to another Person or by which a Limited Partner purports to assign its Limited Partnership Interest to another Person, and includes a sale, assignment, gift, (outright or in trust), pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise. The term "transfer" when used in this Article 11 does not include an Exchange pursuant to Section 8.6. No part of the interest of a Limited Partner shall be subject to the claims of any creditor, any spouse for alimony or support, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement.

B. No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void.

Section 11.2 Transfer of General Partner's Partnership Interest

The General Partner shall not withdraw from the Partnership and shall not transfer all or any portion of its interest in the Partnership (whether by sale, statutory merger or consolidation, liquidation or otherwise) without the consent of all of the Holders of Class A Common Limited Partnership Units, which may be withheld by each Holder of Class A Common Limited Partnership Units in its sole and absolute discretion, and only upon the admission of a successor General Partner pursuant to Section 12.1. Upon any transfer of a Partnership Interest in accordance with the provisions of this Section 11.2, the transferee shall become a Substitute General Partner for all purposes herein, and shall be vested with the powers and rights of the transferor General Partner, and shall be liable for all obligations and responsible for all duties of the General Partner, once such transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Interest so acquired. It is a condition to any transfer otherwise permitted hereunder that the transferee assumes, by operation of law or express agreement, all of the

obligations of the transferor General Partner under this Agreement with respect to such transferred Partnership interest, and no such transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor General Partner are assumed by a successor corporation by operation of law) shall relieve the transferor General Partner of its obligations under this Agreement without the Consent of the Class A Limited Partners, in their reasonable discretion. In the event the General Partner withdraws from the Partnership, in violation of this Agreement or otherwise, or otherwise dissolves or terminates, or upon the Bankruptcy of the General Partner, a Majority in Interest of the Class A Limited Partners may elect to continue the Partnership business by selecting a Substitute General Partner in accordance with the Act.

Section 11.3 Limited Partners' Rights to Transfer

A. Prior to June 4, 1994, no Limited Partner shall transfer all or any portion of its Partnership Interest to any transferee without the consent of the General Partner, which consent may be withheld in its sole and absolute discretion; provided, however, that any Limited Partner may, at any time, without the consent of the General Partner, (i) transfer all or any portion of its Partnership Interest to the General Partner, to the Wholly-Owned LP Trust, or to an Affiliate of Stanley K. Tanger or the Tanger Family Partnership or to the Immediate Family of Stanley K. Tanger, subject to the provisions of Section 11.6, (ii) transfer its Partnership Interest pursuant to its right of Exchange as provided in Section 8.6 hereof, or (iii) pledge (a "Pledge") all or any portion of its Partnership Interest to a lending institution, which is not an Affiliate of such Limited Partner, as collateral or security for a bona fide loan or other extension of credit, and transfer such pledged Partnership Interest to such lending institution in connection with the exercise of remedies under such loan or extension or credit. After June 4, 1994, each Limited Partner or Assignee pursuant to the proviso of the preceding sentence shall have the right to transfer all or any portion of its Partnership Interest, or subject to the provisions of Section 11.6 and the satisfaction of each of the following conditions, transfer all or any portion of its Partnership Interests to any other Person:

(a) General Partner Right of First Refusal. The transferring Partner shall give written notice of the proposed transfer to the General Partner, which notice shall state (i) the identity of the proposed transferee, and (ii) the amount and type of

consideration proposed to be received for the transferred Partnership Units. The General Partner shall have ten (10) days upon which to give the transferring Partner notice of its election to acquire the Partnership Units on the proposed terms. If it so elects, it shall purchase the Partnership Units on such terms within ten (10) days after giving notice of such election. If it does not so elect, the transferring Partner may transfer such Partnership Units to a third party, on economic terms no more favorable to the transferee than the proposed terms, subject to the other conditions of this Section 11.3.

(b) Qualified Transferee. Any transfer of a Partnership Interest shall be made only to Qualified Transferees.

It is a condition to any transfer otherwise permitted hereunder that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such transferred Partnership Interest and no such transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Partner of its obligations under this Agreement without the approval of the General Partner, in its reasonable discretion. Notwithstanding the foregoing, any transferee of any transferred Partnership Interest shall be subject to any and all ownership limitations contained in the Articles of Incorporation. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. Unless admitted as a Substitute Limited Partner, no transferee, whether by a voluntary transfer, by operation of law or otherwise, shall have rights hereunder, other than the rights of an Assignee as provided in Section 11.5.

B. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator, or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners, for the purpose of settling or managing the estate, and such power as the Incapacitated Limited Partner possessed to transfer all or any part of his or its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

C. The General Partner may prohibit any transfer otherwise permitted under Section 11.3 by a Limited Partner of his Partnership Units if, in the opinion of legal counsel to the Partnership, such transfer would require the filing of a registration statement under the Securities Act by the Partnership or would otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Unit.

D. No transfer by a Limited Partner of his Partnership Units (including any Exchange) may be made to any person if (i) in the opinion of legal counsel for the Partnership, it would result in the Partnership being treated as an association taxable as a corporation, or (ii) such transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code.

Section 11.4 Substituted Limited Partners

A. No Limited Partner shall have the right to substitute a transferee as a Limited Partner in his place (including any transferee permitted by Section 11.3). The General Partner shall, however, have the right to consent to the admission of a transferee of the interest of a Limited Partner pursuant to this Section 11.4 as a Substituted Limited Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion. The General Partner's failure or refusal to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or any Partner.

B. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

C. Upon the admission of a Substituted Limited Partner, the General Partner shall amend Exhibit A to reflect the name, address, number of Partnership Units, and Percentage Interest of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and interest of the predecessor of such Substituted Limited Partner.

Section 11.5 Assignees

If the General Partner, in its sole and absolute discretion, does not consent to the admission of any permitted transferee under Section 11.3 as a Substituted Limited Partner, as described in Section 11.4, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to receive distributions from the Partnership and the share of Net Income, Net Losses, gain and loss attributable to the Partnership Units assigned to such transferee, the rights to transfer the Partnership Units provided in this Article 11, and the right of Exchange provided in Section 8.6, but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to effect a Consent with respect to such Partnership Units on any matter presented to the Limited Partners for approval (such Consent remaining with the transferor Limited Partner). In the event any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.6 General Provisions

A. No Limited Partner may withdraw from the Partnership other than as a result of a permitted transfer of all of such Limited Partner's Partnership Units in accordance with this Article 11 or pursuant to the exercise of its right of Exchange of all of its Partnership Units under Section 8.6.

B. Any Limited Partner who shall transfer all of his Partnership Units in a transfer permitted pursuant to this Article 11 where such transferee was admitted as a Limited Partner or pursuant to the exercise of its right of Exchange of all of its Partnership Units under Section 8.6 shall cease to be a Limited Partner.

C. Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter of the Partnership, unless the General Partner otherwise agrees.

D. If any Partnership Interest is transferred during any quarterly segment of the Partnership's fiscal year in compliance with the provisions of this Article 11 or transferred pursuant to Section 8.6, Net Income, Net Losses, each item thereof and all other items attributable to such interest for such fiscal year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the fiscal year in accordance with Section 706(d) of the Code, using the interim closing of the books method. Solely for purposes of making such allocations, each of such items for the calendar month in which the transfer or redemption occurs shall be allocated to the Person who is a Partner

as of midnight on the last day of said month. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such transfer or redemption shall be made to the transferor Partner, and all distributions of Available Cash thereafter shall be made to the transferee Partner.

E. In addition to any other restrictions on transfer herein contained, in no event may any transfer or assignment of a Partnership Interest by any Partner (including by way of an Exchange) be made (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) in the event such transfer would cause the Initial General Partner to cease to comply with the REIT Requirements, if the Initial General Partner at such time has determined to continue meet the REIT Requirements; (v) if such transfer would cause a termination of the Partnership for federal or state income tax purposes (except as a result of the Exchange of all Partnership Units held by all Limited Partners); (vi) if such transfer would, in the opinion of counsel to the Partnership, cause the Partnership to cease to be classified as a partnership for Federal income tax purposes (except as a result of the Exchange of all Partnership Units held by all Limited Partners); (vii) if such transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code); (viii) if such transfer would, in the opinion of counsel to the Partnership, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.2-101; (ix) if such transfer requires the registration of such Partnership Interest pursuant to any applicable federal or state securities laws; (x) if such transfer causes the Partnership to become a "Publicly Traded Partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code or if such transfer would cause the Partnership to have more than 500

Partners (including, as Partners, those persons indirectly owning an Interest in the Partnership through a partnership, subchapter S corporation or grantor trust); or (xi) if such transfer subjects the Partnership to be regulated under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1 Admission of Successor General Partner

A successor to all of the General Partner's General Partner Interest pursuant to Section 11.2 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective upon such transfer. Any such transferee shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission.

Section 12.2 Admission of Additional Limited Partners

A. After the admission to the Partnership of the initial Limited Partners on the date hereof, a Person who makes a Capital Contribution

to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance in form satisfactory to the General Partner of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof and (ii) such other documents or instruments as may be required in the discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner.

B. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent may be given or withheld in the General Partner's sole and absolute discretion. The grant of an option to acquire Units under the Unit Option Plan, which grant is in the sole and absolute discretion of the General Partner, to any Person shall constitute the consent of the General Partner to such Person (but not any Assignee) to becoming a Limited Partner upon exercise of such option to acquire Units. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the receipt of the Capital Contribution in respect of such Limited Partner and the consent of the General Partner to such admission.

Section 12.3 Amendment of Agreement and Certificate of Limited Partnership

For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of Exhibit A) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 2.4 hereof.

Section 12.4 Limit on Number of Partners

No Person shall be admitted to the Partnership as an Additional Partner if the effect of such admission would be to cause the Partnership to have more than 500 Partners, including as Partners for this purpose those Persons indirectly owning an Interest in the Partnership through another partnership, subchapter S corporation or a grantor trust.

ARTICLE 13
DISSOLUTION AND LIQUiDATION

Section 13.1 Dissolution

The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership. The Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following ("Liquidating Events"):

A. the expiration of its term as provided in Section 2.5 hereof;

B. an event of withdrawal of the General Partner, as defined in the Act, unless, within 90 days after the withdrawal, all of the Holders of the Class A Common Limited Partnership Units, and at least a majority in interest of all the remaining Partners, agree in writing, in their sole and absolute discretion, to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal, of a substitute General Partner;

C. an election to dissolve the Partnership made by the General Partner, approved by the Consent of the Holders of the Class A Common Limited Partnership Units;

D. entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act;

E. the sale of all or substantially all of the assets and properties of the Partnership;

F. a Bankruptcy of the General Partner, unless all of the remaining Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of a date prior to the date of such Bankruptcy, of a substitute General Partner; or

G. the Exchange by all Partners (other than the General Partner) of all Class A Common Limited Partnership Units into REIT Shares.

Section 13.2 Winding Up

A. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a Majority in Interest of the Class A Limited Partners (the "Liquidator")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the General Partner, include shares of stock in the General Partner) shall be applied and distributed in the following order:

(1) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than the Partners;

(2) Second, to the payment and discharge of all of the Partnership's debts and liabilities to the General Partner;

(3) Third, to the payment and discharge of all of the Partnership's debts and liabilities to the other Partners; and

(4) The balance, if any, to the General Partner and Limited Partners in accordance with their positive Capital Account balances, determined after taking into account all Capital Account adjustments for the Partnership taxable year during which the

liquidation occurs (other than those made as a result of the liquidating distribution set forth in this Section 13.2.A(4)).

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13 other than reimbursement of its expenses as provided in Section 7.4.

B. Notwithstanding the provisions of Section 13.2.A hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A hereof, undivided interests in

such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

Section 13.3 Compliance with Timing Requirements of Regulations

In the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 13 to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for the taxable years, including the year during which such liquidation occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever. In the discretion of the General Partner, a pro rata portion of the distributions that would otherwise be made to the General Partner and Limited Partners pursuant to this Article 13 may be:

(A) distributed to a trust established for the benefit of the General Partner and Limited Partners for the purposes of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership. The assets of any such trust shall be distributed to the General Partner and Limited Partners from time to time, in the reasonable discretion of the General Partner, in the same proportions and the amount distributed to such trust by the Partnership would otherwise have been distributed to the General Partner and Limited Partners pursuant to this Agreement; or

(B) withheld to provide a reasonable reserve for partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, provided that such withhold

amounts shall be distributed to the General Partner and Limited Partners as soon as practicable.

Section 13.4 Deemed Distribution and Recontribution

Notwithstanding any other provision of this Article 13, in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, the Partnership's property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken such property subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Partnership property in kind to the Partnership, which shall be deemed to have assumed and taken such property subject to all such liabilities.

Section 13.5 Rights of Limited Partners

Except as otherwise provided in this Agreement, each Limited Partner shall look solely to the assets of the Partnership for the return of his Capital Contribution and shall have no right or power to demand or receive property from the General Partner. No Limited Partner shall have priority over any other Limited Partner as to the return of his Capital Contributions, distributions or allocations.

Section 13.6 Notice of Dissolution

In the event a Liquidating Event occurs or an event occurs that would, but for provisions of Section 13.1, result in a dissolution of the Partnership, the General Partner shall, within 30 days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conduct business (as determined in the discretion of the General Partner).

Section 13.7 Cancellation of Certificate of Limited Partnership

Upon the completion of the liquidation of the Partnership cash and property as provided in Section 13.2 hereof, the Partnership shall be terminated and the Certificate and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of North Carolina shall be cancelled and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.8 Reasonable Time for Winding-Up

A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

Section 13.9 Waiver of Partition

Each Partner hereby waives any right to partition of the Partnership property.

ARTICLE 14
AMENDMENT OF PARTNERSHIP AGREEMENT; CONSENTS

Section 14.1 Amendments

A. The actions requiring consent or approval of Limited Partners pursuant to this Agreement, including Section 7.3, or otherwise pursuant to applicable law, are subject to the procedures in this Article 14.

B. Amendments to this Agreement may be proposed by the General Partner or by any Limited Partner. Following such proposal, the General Partner shall submit any proposed amendment to the Limited Partners. The General Partner shall seek the written consent of the Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. For purposes of obtaining a written consent, the General Partner may require a response within a reasonable specified time, but not less than 15 days, and failure to respond in such time period shall constitute a consent which is consistent with the General Partner's recommendation (if so recommended) with respect to the proposal; provided, that, an action shall become effective at such time as requisite consents are received even if prior to such specified time.

Section 14.2 Action by the Partners

A. Meetings of the Partners may be called by the General Partner and shall be called upon the receipt by the General Partner of a written request by Limited Partners holding 25 percent or more of any class of Limited Partnership Interests. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners not less than seven days nor more than 30 days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Whenever the vote or Consent of Partners is permitted or required under this Agreement, such vote or Consent may be given at a meeting of Partners or may be given in accordance with the procedure prescribed in Section 14.1 hereof.

B. Any action required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by the percentage as is expressly required by this Agreement for the action in question. Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of the Percentage Interests of the Partners (expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

C. Each Limited Partner may authorize any Person or Persons to act for him by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or his attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Limited Partner executing it.

D. Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1 Addresses and Notice

Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication to the Partner or Assignee at the address set forth in Exhibit A or such other address as the Partners shall notify the General Partner in writing.

Section 15.2 Titles and Captions

All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" and "Sections" are to Articles and Sections of this Agreement.

Section 15.3 Pronouns and Plurals

Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.4 Further Action

The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.5 Binding Effect

This Agreement shall be binding upon an inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.6 Creditors

None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

Section 15.7 Waiver

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.8 Counterparts

This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 15.9 Applicable Law

This Agreement shall be construed in accordance with and governed by the laws of the State of North Carolina, without regard to the principles of conflicts of law.

Section 15.10 Invalidity of Provisions

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.11 Limitation to Preserve REIT Status

To the extent that the amount paid or credited to the General Partner or its officers, directors, employees or agents pursuant to Section 7.4 or Section 7.7 would constitute gross income to the Initial General Partner for purposes of Sections 856(c)(2) or 856(c)(3) of the Code (a "GP Payment") then, notwithstanding any other provision of this Agreement, the amount of such GP Payments for any fiscal year shall not exceed the lesser of:

(i) an amount equal to the excess, if any, of (a) 4.17% of the Initial General Partner's total gross income (but not including the amount of any GP Payments) for the fiscal year which is described in

subsections (A) through (H) of Section 856(c)(2) of the Code over (b) the amount of gross income (within the meaning of Section 856(c)(2) of the Code) derived by the Initial General Partner from sources other than those described in subsections (A) through (H) of Section 856(c)(2) of the Code (but not including the amount of any GP Payments); or

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(ii) an amount equal to the excess, if any, of (a) 25% of the Initial General Partner's total gross income (but not including the amount of any GP Payments) for the fiscal year which is described in subsections (A) through (I) of Section 856(c)(3) of the Code over (b) the amount of gross income (within the meaning of Section 856(c)(3) of the Code) derived by the Initial General Partner from sources other than those described in subsections (A) through (I) of Section 856(c)(3) of the Code (but not including the amount of any GP Payments);

provided, however, that GP Payments in excess of the amounts set forth in subparagraphs (i) and (ii) above may be made if the General Partner, as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts would not adversely affect the Initial General Partner's ability to qualify as a REIT. To the extent GP Payments may not be made in a year due to the foregoing limitations, such GP Payments shall carry over and be treated as arising in the following year.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

TANGER GP TRUST
as General Partner

By

Stanley K. Tanger, Chairman of the Board

TANGER LP TRUST
as Limited Partner

By

Stanley K. Tanger, Chairman of the Board

TANGER FAMILY LIMITED PARTNERSHIP
as Limited Partner

By

Stanley K. Tanger, General Partner

TANGER FACTORY OUTLET CENTERS, INC.

By

Stanley K. Tanger, Chief Executive Officer

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PARTNERS, CONTRIBUTIONS AND PARTNERSHIP INTERESTS

I. Initial Contributions

Name and Address of Partner	Cash Contributions	Agreed Value of Contributed Property*	Total Contributions	Partnership Units
General Partner				
Tanger Factory Outlet				
<S>	<C>		<C>	<C>
Centers, Inc.	$1.00	--	$1.00	1
1400 West Northwood Greensboro, NC				
27408				
Limited Partners				
Tanger Family Limited				
Partnership	$1.00	--	$1.00	1
1400 West Northwood Greensboro, NC 27408 </TABLE>				

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EXHIBIT A (CONTINUED)

II. Contributions Made On Effective Date

Name and Address of Partner	Cash Contributions	Agreed Value of Contributed Property*	Total Contributions	Partnership Units
General Partner				
Tanger Factory Outlet				
<S>	<C>	<C>	<C>	<C>
Centers, Inc.	$92,315,000	$7,008,807	$99,323,807	4,857,796
1400 West Northwood Greensboro, NC				
27408				
Limited Partners				
Tanger Family Limited				
Partnership	--	$62,019,954	$62,019,954	3,033,305
1400 West Northwood Greensboro, NC 27408 </TABLE>				

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EXHIBIT A (CONTINUED)

III. Partnership Holdings Immediately Following The Transfer Date

Name and Address	Cash	Agreed Value of	Total	Partnership

of Partner	Contributions	Contributed Property*	Contributions	Units
General Partner				
<S>				<C>
Tanger GP Trust 3200 Northline Avenue Greensboro, NC 27408	--	--	--	150,000
- ----------				
Limited Partners				
Class A Common				
Tanger Family Limited Partnership 3200 Northline Avenue Greensboro, NC 27408	--	$62,019,954	$62,019,954	3,033,305
Class B Common				
Tanger LP Trust 3200 Northline Avenue Greensboro, NC 27408	--	--	--	7,700,256
Class C Preferred				
Tanger LP Trust 3200 Northline Avenue Greensboro, NC 27408	--	--	--	88,219.7

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EXHIBIT A-1
PREFERRED CONTRIBUTIONS

Name of Partner	Amount of Cash Contribution	Preferred Units
<S>	<C>	<C>
Tanger Factory Outlet Centers, Inc.	$75,000,000*	300,000

- ----------
*Less expenses of the Preferred Offering
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EXHIBIT B
NOTICE OF EXCHANGE

The undersigned hereby irrevocably (i) exchanges _____ Limited Partnership Units in Tanger Properties Limited Partnership in accordance with the terms of the Limited Partnership Agreement of Tanger Properties Limited Partnership and the rights of Exchange referred to therein, (ii) surrenders such Limited Partnership Units and all right, title and interest therein, and (iii) directs that the REIT Shares deliverable upon Exchange be delivered to the address specified below, and such REIT Shares be registered or placed in the name(s) and at the address(es) specified below.

Dated:

Name of Limited Partner:

(Signature of Limited Partner)

(Street Address)

(City) (State) (Zip Code)

Signature Guaranteed by:

Issue REIT Shares to:

Please insert social security or identifying number:

Name:

Exhibit 10.10

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is executed and made effective as of January 1, 1999 between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, whose address is P.O. Box 29168, Greensboro, N.C. 27408 (the "Company") and FRANK C. MARCHISELLO, Jr, a resident of North Carolina, whose address is 600 Brookfield Drive, Gibsonville, NC 27249 ("Marchisello").

RECITALS

A. Company and Marchisello entered into an employment agreement dated as of January 1, 1996.

B. Company has agreed to increase Marchisello's Annualized Base Salary under the existing employment agreement for the period from July 1, 1998 through December 31, 1998 from $170,000.00 to $175,000.00.

C. The Parties intend to extend the term of Marchisello's employment and to modify, amend and restate the Employment Agreement as provided herein.

Now therefore, in consideration of the promises contained herein and othervaluable consideration, the parties agree as follows:

1. EMPLOYMENT. Company agrees to employ Marchisello during the term of this Agreement. Marchisello agrees to devote substantial time and attention and his best efforts to the business affairs of the Company. During the term of his employment hereunder, Marchisello shall not perform services for others as a consultant, employee or otherwise and shall not engage in the conduct of any other trade or business.

The Company is engaged in the development and operation of retail shopping centers. Marchisello will serve as vice-president/chief financial officer of the Company and will perform such duties as are assigned to him by the Company from time to time in all phases of the Company's business. Marchisello will report to a designated senior executive officer of the Company.

2. TERM. The term of this Agreement as herein amended and restated shall begin on January 1, 1999 and shall end December 31, 2001 (the "Contract Term") unless sooner terminated as herein provided. The twelve calendar month period beginning on January 1, 1999 and ending December 31, 1999 and each calendar year thereafter through 2001 is sometimes herein referred to as a "Contract Year".

This Agreement shall survive any merger, acquisition or cessation of business by the Company and shall remain binding upon any successor of the Company or transferee of the Company's business.

3. COMPENSATION.

3.1 Annual Base Salary. For each Contract Year beginning on or after January 1, 1999, Company will pay Marchisello for services performed pursuant to this Agreement an "Annual Base Salary" as follows:

Contract Year	Annual Base Salary
1999	$190,000.00
2000	$200,000.00
2001	$210,000.00

The Annual Base Salary shall be paid in equal monthly or bi-weekly installments in arrears in accordance with Company's regular pay schedule. Company will pay and/or withhold for FICA, income and other employee taxes on compensation payable to Marchisello hereunder as required by law.

3.2 Employee Benefits. Marchisello shall participate in all employee benefit plans (including plans providing medical, life and disability insurance) which the Company makes available to its employees generally and for which Marchisello is eligible, as such Plans may be in effect from time to time.

3.3 Expense Reimbursement. Marchisello will be reimbursed for any necessary and reasonable expense incurred by Marchisello in performing the services requested of him by the Company during the term of employment. At least monthly, Marchisello will submit such records and paid bills supporting the amount of the expenses incurred and to be reimbursed as the Company shall reasonably require.

3.4 Severance Pay If Term Not Extended. If Marchisello's employment is not terminated prior to the end of the Contract Term and if Marchisello offers to extend the term of his employment by the Company beyond the Contract Term for one year or more upon substantially the same terms as the last Contract Year of the Contract Term but the Company elects not to continue Marchisello's employment, the Company shall pay Marchisello as a severance benefit an amount equal to one half (1/2) of the Annual Base Salary payable to him for the last

Contract Year of the Contract Term.

4. VACATION. Marchisello shall be entitled to vacation during each Contract Year for the term of employment hereunder in accordance with Company policy.

5. TERMINATION. Marchisello's employment by the Company hereunder shall be terminated upon the occurrence of any of the following events:

(a) If the Company and Marchisello mutually agree to terminate the employment;

(b) By the Company, in its discretion, in the event of Marchisello's disability. "Disability" for these purposes shall mean Marchisello's inability through physical or mental illness or other cause to perform any of the material duties assigned to him by the Company for a period of one hundred and eighty (180) days or more within any twelve consecutive calendar months. Marchisello will continue to receive compensation hereunder during such period of disability up to 180 days during any twelve consecutive calendar months.

(c) By either party in the event of a material breach by the other party of any of that other party's obligations under this Agreement;

(d) By Company, if Marchisello is convicted of a felony or engages in conduct or activity that has, or in the Company's reasonably held belief, will have a material adverse effect upon Company's business or future prospects;

(e) Upon Marchisello's death;

(f) By the Company for no reason and/or without good cause by payment of the severance benefit described below.

Upon termination of Marchisello's employment Marchisello shall be entitled to receive only the compensation accrued but unpaid for the period of employment prior to the date of such termination and shall not be entitled to additional compensation except as follows:

(i) if Marchisello's employment is terminated by reason of his death or disability during the Contract Term, the Company will pay Marchisello (or the personal representatives of his estate, in the event of his death) as a death or disability benefit, an amount equal to the Annual Base Salary payable hereunder for the Contract Year within which such termination occurs. Such amount shall be paid in 12 equal monthly installments, with the first installment payable on the last day of the first calendar month following the calendar month in which Marchisello's employment is terminated;

(ii) if Company terminates Marchisello's employment for no reason and/or without good cause pursuant to subparagraph 5(f) or if Marchisello terminates his employment pursuant to subparagraph 5(c) because of the Company's material breach of this Agreement, Company shall pay Marchisello as severance pay an amount equal to the Annual Base Salary payable hereunder in the Contract Year within which Marchisello's employment is terminated. Such payment will be made within thirty (30) days after the date of the termination of Marchisello's employment.

6. COVENANT AGAINST COMPETITION AND NON-DISCLOSURE.

6.1 Covenant Against Competition. Marchisello covenants and agrees that during Marchisello's employment and for a period of six (6) months after he ceases to be employed by Company, Marchisello shall not, directly or indirectly, as an employee, employer, shareholder, proprietor, partner, principal, agent, consultant, advisor, director, officer, or in any other capacity, engage in the development or operation of a retail shopping facility within a radius of one hundred (100) miles of any retail shopping facility owned or operated by the Company at any time during Marchisello's employment hereunder or within a radius of one hundred (100) miles of any site for which Company has made an offer to purchase for the development of a retail shopping facility by the Company prior to the date of the termination of Marchisello's employment.

6.2 Disclosure of Information. Marchisello acknowledges that in and as a result of his employment hereunder, he will be making use of, acquiring and/or adding to confidential information of a special and unique nature and value relating to such matters as financial information, terms of leases, terms of financing, financial condition of tenants and potential tenants, sales and rental income of shopping centers and other specifics about Company's development, financing, construction and operation of retail shopping facilities. Marchisello covenants and agrees that he shall not, at any time during or following the term of his employment, directly or indirectly, divulge or disclose for any purpose whatsoever any such confidential information that

has been obtained by, or disclosed to, him as a result of his employment by Company.

6.3 Reasonableness of Restrictions.

(a) Marchisello has carefully read and considered the foregoing provision of this Item, and, having done so, agrees that the restrictions set forth in these paragraphs, including but not limited to the time period of restriction set forth in the covenant against competition are fair and reasonable and are reasonably required for the protection of the interests of Company and its officers, directors and other employees.

(b) In the event that, notwithstanding the foregoing, any of the provisions of this Item shall be held invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included herein. In the event that any provision of this Item relating to the time period and/or the areas of restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or areas such court deems reasonable and enforceable, the time period and/or areas of restriction deemed reasonable and enforceable by the court shall become and thereafter be the maximum time period and/or areas.

6.4 Consideration. The covenants against competition and non-disclosure by Marchisello in this Item are made in consideration of the Company's agreement to employ Marchisello upon the terms and conditions set forth herein, expressly including, without limitation, the Company's agreement to pay the severance amount under the circumstances described in Section . Such covenants against competition and of non-disclosure by Marchisello in this Item constitute the material inducement to Company to enter into this Agreement, to make confidential information developed by Company available to Marchisello and to pay the salary and bonuses provided for Marchisello herein.

6.5 Company's Remedies. Marchisello covenants and agrees that if he shall violate any of his covenants or agreements contained in this Item 6, then the Company shall, in addition to any other rights and remedies available to it at law or in equity, have the following rights and remedies against Marchisello:

(a) The Company shall be relieved of any further obligation to Marchisello under the terms of this agreement; and

(b) The Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or other benefits that Marchisello, directly or indirectly, has realized and/or may realize as a result of, growing out of or in connection with, any such violation.

The foregoing rights and remedies of the Company shall be cumulative and the election by the Company to exercise any one or more of them shall not preclude the Company's exercise of any other rights described above or otherwise available under applicable principals of law or equity.

7. NOTICES.

Any notice required or permitted to be given pursuant to this Agreement shall be hand delivered or sent by certified mail, return receipt requested, to the address of the party to whom it is directed as set forth below:

Company: Tanger Properties Limited Partnership
c/o Stanley K. Tanger
P.O. Box 29168
Greensboro, N.C. 27402

Marchisello: Frank C. Marchisello, Jr.
600 Brookfield Drive
Gibsonville, N.C. 27249

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the day and year first above written.

Company:

TANGER PROPERTIES LIMITED PARTNERSHIP, a
North Carolina Limited Partnership

By: TANGER FACTORY OUTLET CENTERS, INC.,
it's sole general partner

By:

STANLEY K. TANGER
Chairman of the Board
Chief Executive Officer

FRANK C. MARCHISELLO, JR.

PROMISSORY NOTE

June 25 1999

FOR VALUE RECEIVED, Stanley K. Tanger (the "Maker" promises to pay to the order of Tanger Properties Limited Partnership (the "(Payee") the principal sum of Two Million Dollars ($2,000,000.00) or such lesser amount as shall have been advanced by the Payee to the Maker from time to time and shall remain unpaid plus interest upon unpaid principal from the date hereof at the rate of eight percent (8%) per annum, said principal and interest being payable on demand

Any payment on the indebtedness evidenced by this Note shall be applied first to interest on the principal sum from time to time remaining unpaid and the balance shall be applied in payment and reduction of the principal. Any past due installment of principal shall bear interest at the rate above set out until paid. After the indebtedness evidenced by this Note shall become due, whether by acceleration or otherwise, such indebtedness shall bear interest at the highest contract rate permitted by applicable law not to exceed 8% per annum.

The indebtedness evidenced by this Note is secured by the Collateral Assignment of Limited Partnership Interest dated as of the same date as this Note executed by the Maker and the Payee.

In the event any installment of principal and interest is not paid when due, the remaining unpaid principal of this Note and all accrued but unpaid interest thereon shall immediately become due and payable, at the option of the holder hereof. In the event this Note is placed with an attorney at law for collection or enforcement, the undersigned agree to pay all costs of collection or enforcement, including, without limitation, court costs and reasonable attorneys' fees.

If any partial prepayments of the principal of this Note shall be permitted by the holder, such prepayments shall be applied to the installments of principal last maturing hereon.

All parties to this Note, including endorsers, sureties and guarantors, if any, hereby waive presentment for payment, demand, protest, notice of non-payment or of dishonor or of protest, and any and all other notices and demands whatsoever, and agree to remain bound until the principal and interest are paid in full notwithstanding any extensions of time for payment which may be granted, even though the period of extension be indefinite, and not withstanding any inaction by, or failure to assert any legal right available to the holder of this Note.

IN TESTIMONY WHEREOF, each maker has executed this instrument under seal as of the day and year first above written.

_____(SEAL)
Stanley K. Tanger

PROMISSORY NOTE

August 27, 1999

FOR VALUE RECEIVED, Stanley K. Tanger (the "Maker" promises to pay to the order of Tanger Properties Limited Partnership (the "(Payee") the principal sum of One Million Dollars ($1,000,000.00) or such lesser amount as shall have been advanced by the Payee to the Maker from time to time and shall remain unpaid plus interest upon unpaid principal from the date hereof at the rate of eight percent (8%) per annum, said principal and interest being payable on demand

Any payment on the indebtedness evidenced by this Note shall be applied first to interest on the principal sum from time to time remaining unpaid and the balance shall be applied in payment and reduction of the principal. Any past due installment of principal shall bear interest at the rate above set out until paid. After the indebtedness evidenced by this Note shall become due, whether by acceleration or otherwise, such indebtedness shall bear interest at the highest contract rate permitted by applicable law not to exceed 8% per annum.

The indebtedness evidenced by this Note is secured by the Collateral Assignment of Limited Partnership Interest dated as of the same date as this Note executed by the Maker and the Payee.

In the event any installment of principal and interest is not paid when due, the remaining unpaid principal of this Note and all accrued but unpaid interest thereon shall immediately become due and payable, at the option of the holder hereof. In the event this Note is placed with an attorney at law for collection or enforcement, the undersigned agree to pay all costs of collection or enforcement, including, without limitation, court costs and reasonable

attorneys' fees.

If any partial prepayments of the principal of this Note shall be permitted by the holder, such prepayments shall be applied to the installments of principal last maturing hereon.

All parties to this Note, including endorsers, sureties and guarantors, if any, hereby waive presentment for payment, demand, protest, notice of non-payment or of dishonor or of protest, and any and all other notices and demands whatsoever, and agree to remain bound until the principal and interest are paid in full notwithstanding any extensions of time for payment which may be granted, even though the period of extension be indefinite, and not withstanding any inaction by, or failure to assert any legal right available to the holder of this Note.

IN TESTIMONY WHEREOF, each maker has executed this instrument under seal as of the day and year first above written.

_____(SEAL)
Stanley K. Tanger

EXHIBIT 21.1

List of Subsidiaries

Tanger Properties Limited Partnership

Tanger GP Trust

Tanger LP Trust

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 33-80450 and 333-91863) and Form S-3 (File Nos. 33-99736, 333-3526 and 333-39365) of Tanger Factory Outlet Centers, Inc. of our reports dated January 26, 2000 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

March 28, 2000

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The schedule contains summary financial information extracted from the financial statements as of and for the year ended December 31, 1999 included herein and is qualified in its entirety by reference to such statements.
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<CGS>	0	
<TOTAL-COSTS>	30,585	
<OTHER-EXPENSES>	24,824	<F1>
<LOSS-PROVISION>	0	
<INTEREST-EXPENSE>	24,239	
<INCOME-PRETAX>	21,211	
<INCOME-TAX>	0	
<INCOME-CONTINUING>	15,837	
<DISCONTINUED>	0	
<EXTRAORDINARY>	(249)	
<CHANGES>	0	
<NET-INCOME>	15,588	
<EPS-BASIC>	1.74	
<EPS-DILUTED>	1.74	

<FN>
<F1> Depreciation and amortization
</FN>

</TABLE>