SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

December 8, 2003
Date of Report (Date of earliest event reported)

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

North Carolina
(State or other jurisdiction of incorporation or organization)

1-11986	56-1815473
(Commission File No.)	(I.R.S. Employer Identification No.)

3200 Northline Avenue, Greensboro, NC 27408
(Address of principal executive offices, including zip code)

(336) 292-3010
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

TANGER FACTORY OUTLET CENTERS, INC.

CURRENT REPORT

ON

FORM 8-K

Item 5. Other Events

Tanger Factory Outlet Centers, Inc., (the "Company"), has formed a joint venture, COROC Holdings, L.L.C. ("COROC") with an affiliate of Blackstone Real Estate Advisors ("Blackstone") to acquire a portfolio of nine factory outlet centers with approximately 3.3 million square feet managed and leased by Charter Oak Partners (the "Charter Oak Properties") and owned by the Public Employees Retirement System of Ohio for which Rothschild Realty, Inc. is the investment advisor. Closing on the transaction is expected to take place in December 2003.

The Charter Oak Properties are being acquired by COROC for a purchase price of $491.0 million, including the assumption of $187.1 million of debt. We will be required to fund one-third of the net acquisition costs plus closing costs and certain other escrows and reserves, collectively estimated to be $107.9 million. Blackstone will be required to contribute the remaining $215.8 million. We expect to issue 2.3 million common shares with net proceeds of approximately $91.8 million and borrow an additional $16.1 million under our existing lines of credit to fund our investment. There can be no assurance that closing on the transaction will actually occur or that we will be able to issue the common shares to fund our transaction.

The Company's management has considered the existing tenant base, which is the primary revenue source, occupancy rate, the competitive nature of the market and comparative rental rates. Furthermore, current and anticipated maintenance and repair costs, real estate taxes and capital improvement requirements were evaluated. Management is not aware of any material factors that would cause the reported financial information in the accompanying Statement of Revenues and Certain Operating Expenses to be misleading or not necessarily indicative of the Charter Oak Properties' future operating results.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

The financial statements, unaudited pro forma financial information and exhibits filed herewith are as set forth below

c) Exhibits

2.1 Purchase and Sale Agreement between COROC Holdings, L.L.C. and various entities dated October 3, 2003 *

10.1 COROC Holdings L.L.C. Limited Liability Company Agreement dated October 3, 2003 *

10.2 Form of Shopping Center Management Agreement between owners of COROC Holdings, LLC and Tanger Properties Limited Partnership *

23.1 Consent of Deloitte & Touche LLP *

* Filed herewith

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tanger Factory Outlet Centers, Inc:

We have audited the accompanying combined statement of revenues and certain operating expenses of The Charter Oak Properties of The Separate Account of the Public Employees Retirement System of Ohio for which Rothschild Realty, Inc. is the Investment Advisor (collectively the "Charter Oak Properties") for the year ended December 31, 2002. This financial statement is the responsibility of the Investment Advisor. Our responsibility is to express an opinion on this financial statement based on our audit.

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

The accompanying combined statement of revenues and certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the current report on Form 8-K of Tanger Factory Outlet Centers, Inc.) as described in Note 1 to the financial statement and is not intended to be a complete presentation of the Charter Oak Properties' revenues and expenses.

In our opinion, such combined financial statement presents fairly, in all

material respects, the revenues and certain operating expenses of the Charter Oak Properties for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

McLean, Virginia
December 5, 2003

The Charter Oak Properties of The Separate Account of the
Public Employees Retirement System of Ohio for which
Rothschild Realty, Inc. is the Investment Advisor

STATEMENTS OF REVENUES AND CERTAIN OPERATING EXPENSES
(In thousands)

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	Nine Months Ended September 30, 2003 (unaudited)	Year Ended December 31, 2002
Revenues		
<S>	<C>	<C>
Base rentals	$37,203	$49,718
Percentage rentals	1,085	1,838
Expense reimbursements	13,551	18,709
Other income	187	514
Total revenues	52,026	70,779
Certain operating expenses		
Property operating	13,611	18,727
General and administrative	487	822
Total certain operating expenses	14,098	19,549
Revenues in excess of certain operating expenses	$37,928	$51,230

The accompanying notes are an integral part of these financial statements.
</TABLE>

NOTES TO COMBINED STATEMENTS OF REVENUES AND
CERTAIN OPERATING EXPENSES
(In thousands)

1. Organization and basis of presentation

The Combined Statement of Revenues and Certain Operating Expenses relates to the operations of The Charter Oak Properties of the Separate Account of The Public Employees Retirement System of Ohio for which Rothschild Realty, Inc. is the Investment Advisor (collectively, the "Charter Oak Properties"), a portfolio of nine factory outlet centers located across the United States with approximately 3.3 million square feet. The Charter Oak Properties are managed and leased by Charter Oak Partners and are under common ownership. The Charter Oak Properties are being acquired by COROC Holdings, Inc. ("COROC"), a joint venture formed by Tanger Properties Limited Partnership, a partnership whose majority ownership is held by Tanger Factory Outlet Centers, Inc. (the "Company"), and an affiliate of Blackstone Real Estate Advisors.

The accompanying Combined Statement of Revenues and Certain Operating Expenses was prepared for the purpose of complying with the rules and regulations of the

Securities and Exchange Commission Regulation S-X, Rule 3-14. This statement is not representative of the actual operations for the period presented, as certain expenses, which may not be comparable to the expenses expected to be incurred by COROC in the future operation of the Charter Oak Properties, have been excluded as discussed below.

Certain Operating Expenses include advertising and promotional expenses, common area maintenance, real estate taxes, and certain other operating expenses related to the operations of the Charter Oak Properties. In accordance with the regulations of the Securities and Exchange Commission, mortgage interest, depreciation and amortization and certain other costs have been excluded from certain operating expenses, as they are dependent upon a particular owner, purchase price or other financial arrangement. Certain other costs excluded include (in thousands):

	Nine Months Ended September 30, 2003 (unaudited)	Year Ended December 31, 2002
Management fees	$2,043	$2,606
Legal expenses	---	1,312
	$2,043	$3,918

2. Leases

The Charter Oak Properties are leased to tenants under operating leases with expiration dates extending to the year 2014. Future minimum rentals (assuming lease renewal options, where applicable, are not exercised) under noncancellable operating leases, exclusive of additional rents from reimbursement of operating expenses are approximately as follows (in thousands):

Year Ending December 31,	
2003	$44,393
2004	37,135
2005	26,241
2006	15,331
2007	7,100
Thereafter	7,319
	$137,519

3. Revenue recognition

Base rentals are recognized on a straight-line basis over the lease term. Certain lease agreements contain provisions for rents which are calculated on a percentage of sales and recorded on an accrual basis. These rents are accrued monthly once the required thresholds per the lease agreement are exceeded. Virtually all lease agreements contain provisions for additional rents representing reimbursements of real estate taxes, insurance, advertising and common area maintenance costs. Expense reimbursements are recognized in the period the applicable expenses are incurred.

4. Use of estimates

The preparation of the Combined Statement of Revenues and Certain Operating Expenses in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the period reported. Actual results may differ from those estimates.

5. Risks and Uncertainties

The Charter Oak Properties' results of operations are significantly dependent on the overall health of the retail industry. The Charter Oak Properties' tenants are comprised almost exclusively of merchants in the retail industry. The retail industry is subject to external factors such as inflation, consumer confidence, unemployment rates and consumer tastes and preferences. A decline in the retail industry could reduce merchant sales, which could adversely affect the operating results of the Charter Oak Properties. A number of merchants occupy space in the Charter Oak Properties; however, no single merchant accounts for more than 10% of the Charter Oak Properties' base rents and no one tenant occupies more than 10% of the Charter Oak Properties' total gross leasable area for either the year ended December 31, 2002 and the nine months ended September 30, 2003 (unaudited).

6. Commitments and Contingencies

The Charter Oak Properties are not presently involved in any material litigation nor, to management's knowledge, is any material litigation threatened against the Charter Oak Properties, other than routine legal matters arising in the ordinary course of business. Management believes the costs, if any, incurred by the Charter Oak Properties related to this litigation will not materially affect the operating results of the Charter Oak Properties.

7. Interim Unaudited Financial Information

The financial statement for the nine months ended September 30, 2003 is unaudited, however, in the opinion of management, all adjustments (consisting solely of normal, recurring adjustments) necessary for the fair presentation of the financial statement for the interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

TANGER FACTORY OUTLET CENTERS, INC.
PRO FORMA CONSOLIDATING FINANCIAL STATEMENTS

The accompanying unaudited Pro Forma Consolidating Financial Statements have been derived from the historical statements of the Company and give effect to the proposed acquisition of the Charter Oak Properties, which is expected to close in December 2003. The unaudited Pro Forma Consolidating Statements of Operations for the nine months ended September 30, 2003 and the year ended December 31, 2002 assume the acquisition had occurred as of January 1, 2002. The unaudited Pro forma Consolidating Balance Sheet assumes the acquisition had occurred on September 30, 2003.

The Charter Oak Properties are being acquired by COROC for a purchase price of $491.0 million, including the assumption of $187.1 million of debt. We will be required to fund one-third of the net acquisition costs plus closing costs and certain other escrows and reserves, collectively estimated to be $107.9 million. Blackstone will be required to contribute the remaining $215.8 million. The Pro Forma Consolidating Financial Statements reflect our assumption that we will issue 2.3 million common shares with net proceeds of approximately $91.8 million and borrow an additional $16.1 million under our existing lines of credit to fund our investment. There can be no assurance that closing on the transaction will actually occur or that we will be able to issue the common shares to fund our transaction.

The accompanying unaudited Pro Forma Consolidating Financial Statements reflect a preliminary allocation of the purchase price under Statement of Financial Accounting Standards No. 141, "Business Combinations" ("FAS 141"). This allocation is subject to final adjustment following the acquisition. Included in the allocation is $76.8 million allocated to lease related intangible assets. The ultimate allocation and estimated useful lives could change upon final valuation of these lease related intangibles. The Company expects to finalize the valuation following the consummation of the transaction. Changes in the allocation of the purchase price and/or estimated useful lives from those used in the Pro Forma Consolidating Financial Statements would result in an increase or decrease in pro forma net income and related pro forma earnings per share. Further, the Pro Forma Consolidating Financial Statements reflect the consolidation of the Charter Oak Properties as if it is a Variable Interest Entity and we are the Primary Beneficiary under FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). Currently, there are proposed amendments to FIN 46 that may ultimately lead us to conclude that we should account for our investment in COROC under the equity method of accounting in accordance with Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock".

Certain amounts in the historical financial statements of the Company for the year ended December 31, 2002 have been reclassified to reflect the requirements of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"). FAS 144 requires that results of operations and gains and losses from the sale of properties to be reclassified as discontinued operations for all periods presented.

The unaudited Pro Forma Consolidating Financial Statements have been prepared by the Company's management. These pro forma statements may not be indicative of the results that would have actually occurred if the acquisition had been in effect on the dates indicated, nor do they purport to represent the results of

operations for future periods. The unaudited Pro Forma Consolidating Financial Statements should be read in conjunction with the unaudited Combined Statement of Revenues and Certain Operating Expenses of the Charter Oak Properties for the nine months ended September 30, 2003 (contained herein), the audited Combined Statement of Revenues and Certain Operating Expenses of the Charter Oak Properties for the year ended December 31, 2002 (contained herein), the Company's unaudited financial statements and notes thereto as of September 30, 2003 and for the nine months then ended (which are contained in the Company's Form 10-Q for the period ended September 30, 2003), and the Company's audited financial statements and notes thereto as of December 31, 2002 and for the year then ended (which are contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2002).

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATING STATEMENTS OF OPERATIONS
Nine Months Ended September 30, 2003
(Unaudited)
(In thousands, except per share data)

	The Company	Charter Oak	Pro forma Adjustments	Pro forma Consolidated
	(a)	(b)		
REVENUES				
Base rentals	$ 59,498	$ 37,203	$ (998) (c)	$ 95,703
Percentage rentals	1,743	1,085		2,828
Expense reimbursements	25,305	13,551		38,856
Other income	2,547	187		2,734
Total revenues	89,093	52,026	(998)	140,121
EXPENSES				
Property operating	30,135	13,611		43,746
General and administrative	7,375	487	874 (d)	8,736
Interest	19,707	-	7,482 (e)	27,189
Depreciation and amortization	21,463	-	16,746 (f)	38,209
Total expenses	78,680	14,098	25,102	117,880
Income before equity in earnings of unconsolidated joint ventures, minority interest and discontinued operations	10,413	37,928	(26,100)	22,241
Equity in earnings of unconsolidated joint ventures	639			639
Minority interests:				
Consolidated joint venture	-		(19,424)(g)	(19,424)
Operating partnership	(2,415)		1,881 (g)	(534)
Income from continuing operations	$ 8,637	$ 37,928	$ (43,643)	$

2,922

Basic earnings per common share:			
Income from continuing operations	$ .80		$ .18
Weighted average shares	9,729	2,300 (h)	12,029
Diluted earnings per common share:			
Income from continuing operations	$ .79		$ .17
Weighted average shares	9,958	2,300 (h)	12,258

The accompanying notes are an integral part of these unaudited pro forma consolidating financial statements.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATING STATEMENTS OF OPERATIONS
Year Ended December 31, 2002
(Unaudited)
(In thousands, except per share data)

	The Company	Charter Oak	Pro forma Adjustments	Pro forma Consolidated
	(i)	(b)		
REVENUES				
<S>	<C>	<C>	<C>	<C>
Base rentals	$ 75,560	$ 49,718	$ (1,330)(c)	$ 123,948
Percentage rentals	3,558	1,838		5,396
Expense reimbursements	30,477	18,709		49,186
Other income	3,303	514		3,817
Total revenues	112,898	70,779	$ (1,330)	182,347
EXPENSES				
Property operating	35,898	18,727		54,625
General and administrative	9,227	822	1,165 (d)	11,214
Interest	28,460	-	10,228 (e)	38,688
Depreciation and amortization	28,551	-	22,328 (f)	50,879
Total expenses	102,136	19,549	33,721	155,406
Income before equity in earnings of unconsolidated joint ventures, minority interest and discontinued operations	10,762	51,230	(35,051)	26,941
Equity in earnings of unconsolidated joint ventures	392			392
Minority interests:				
Consolidated joint venture	-		(25,898)(g)	(25,898)
Operating partnership	(2,438)		2,513 (g)	75

Income from continuing operations	$ 8,716	$ 51,230	$ (58,436)	$ 1,510
Basic earnings per common share:				
Income from continuing operations	$ .83			$ (.02)
Weighted average shares	8,322		2,300 (h)	10,622
Diluted earnings per common share:				
Income from continuing operations	$ .81			$ (.02)
Weighted average shares	8,514		2,300 (h)	10,814

The accompanying notes are an integral part of these unaudited pro forma consolidating financial statements.
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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATING BALANCE SHEET
As of September 30, 2003
(Unaudited)
(In thousands)

	The Company	Charter Oak	Pro forma Consolidated
ASSETS	(a)		
Rental Property			
<S>	<C>	<C>	<C>
Land	$ 50,474	$ 70,100 (j)	$ 120,574
Buildings, improvements and fixtures	583,269	367,792 (j)	951,061
	633,743	437,892	1,071,635
Accumulated depreciation	(191,628)		(191,628)
Rental property, net	442,115	437,892	880,007
Cash and cash equivalents	209		209
Deferred charges, net	9,398	76,817 (j)	86,215
Other assets	13,666	8,636 (k)	22,302
Total assets	$ 465,388	$ 523,345	$ 988,733
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Debt			
Senior, unsecured notes	$ 147,509		$ 147,509
Mortgages payable	172,552	199,617 (l)	372,169
Lines of credit	7,272	16,093 (m)	23,365
	327,333	215,710	543,043
Construction trade payables	7,188		7,188
Accounts payable and accrued expenses	13,949		13,949
Total liabilities	348,470	215,710	564,180
Commitments			
Minority interests:			
Consolidated joint venture		215,819 (n)	215,819
Operating partnership	26,202		26,202
Total minority interest	26,202	215,819	242,021

Shareholders' equity				
Common Stock	105	23	(h)	128
Paid in capital	171,747	91,793	(h)	263,540
Distributions in excess of net income	(81,063)			(81,063)
Accumulated other comprehensive loss	(73)			(73)
Total shareholders' equity	90,716	91,816		182,532
Total liabilities and shareholders' equity	$ 465,388	$ 523,345		$ 988,733

The accompanying notes are an integral part of these unaudited pro forma consolidating financial statements.
</TABLE>

Notes to Pro Forma Consolidating Financial Statements

a) As reported in the unaudited consolidated financial statements of Tanger Factory Outlet Centers, Inc. as of or for the nine months ended September 30, 2003.

b) Derived from the Combined Statements of Revenues and Certain Operating Expenses of the Charter Oak Properties (contained herein).

c) To reflect amortization of the portion of the purchase price assigned to above and below market leases in accordance with FAS 141.

d) To reflect estimated incremental personnel and overhead costs to be incurred as a result of the acquisition.

e) To reflect interest expense from (1) the assumption of debt with a face value of $187.1 million ($199.6 million fair value, 4.97% imputed interest rate) and (2) additional borrowings under existing lines of credit of $16.1 million at LIBOR plus 160 basis points (assumed to be 2.7%). A 1% increase or decrease in the LIBOR rate would equal $161,000.

f) To reflect depreciation and amortization based on an acquisition price of $491.0 million (including debt assumption of $187.1 million and cash paid to seller of $303.9), plus closing costs of $11.2 million and a market value debt premium of $12.5 million. Estimated lives used are 35 years for buildings, 4 to 24 years for site improvements, 10 years for lease in-place value, and remaining leases terms for tenant improvements and other lease related intangibles.

g) To reflect minority interest in net income.

h) To reflect the planned issuance of 2.3 million common shares in December 2003 with net proceeds of $91.8 million as part of the funding of the acquisition of the Charter Oak properties.

i) Derived from the audited consolidated financial statements of Tanger Factory Outlet Centers, Inc. for the year ended December 31, 2002, as reclassified from that previously reported to reflect the requirements of FAS 144.

j) To reflect total acquisition costs of $514.7 million, including purchase price of $491.0 million (including debt assumption of $187.1 million and cash paid to seller of $303.9 million) plus estimated closing costs of $11.2 million and market value of debt premium of $12.5 million. In accordance with FAS 141, a portion of the acquisition costs have been allocated to deferred charges to reflect the fair value of in-place leases and other related intangibles.

k) To reflect initial escrows for insurance and real estate taxes and other working capital reserves expected to be funded at the closing of the acquisition.

l) To reflect the assumption of debt with a face value of $187.1 million and fair value of $199.6 million. m) Represents additional borrowings under existing lines of credit to be used along with the proceeds from the expected common share offering to fund the acquisition.

n) To reflect the minority interest in the consolidated joint venture which will own the Charter Oak Properties.

FUNDS FROM OPERATIONS

Funds from operations, or "FFO," represents net income before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate and after adjustments for unconsolidated partnerships and joint ventures.

FFO is intended to exclude GAAP historical cost depreciation of real estate, which assumes that the value of real estate assets diminish ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real

estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of real estate investment trusts, or "REITs", many of which present FFO when reporting their results. FFO is widely used by us and others in our industry to evaluate and price potential acquisition candidates. The National Association of Real Estate Investment Trusts, Inc., of which we are a member, has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance. In addition, our employment agreements with certain members of management base bonus compensation on our FFO performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements;
- FFO may reflect the impact of earnings or charges resulting from matters which may not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only supplementally.

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The following tables represent a reconciliation of the unaudited pro forma FFO to unaudited pro forma net income for the nine months ended September 30, 2003 and the year ended December 31, 2002 after giving effect to the acquisition of the Charter Oak Properties (in thousands, except per share data):

Reconciliation of Funds from Operations to Net Income:	The Company	Charter Oak	Pro forma Adjustments	Pro forma Consolidated
For the nine months ended September 30, 2003				
Funds from Operations:				
Income from continuing operations	$ 8,637	$ 37,928	$ (43,643)	$ 2,922
Discontinued operations	(619)	-	(32)	(651)
Minority interest in operating partnership	2,415		(1,881)	534
Minority interest, depreciation and amortization attributable to discontinued operations	(107)		32	(75)
Depreciation and amortization uniquely significant to real estate - consolidated	21,252		16,746	37,998
Depreciation and amortization uniquely significant to real estate - unconsolidated joint ventures	808			808
Loss/(gain) on sale of real estate	735			735
Funds from operations	$ 33,121	$ 37,928	$ (28,778)	$ 42,271

Weighted average shares	13,424	2,300		15,724
Funds from operations per share - diluted	$ 2.47			$ 2.69
For the year ended December 31, 2002				
Funds from Operations:				
Income from continuing operations	$ 8,716	$ 51,230	$ (58,436)	$ 1,510
Discontinued operations	2,291		140	2,431
Minority interest in operating partnership	2,438		(2,513)	(75)
Minority interest, depreciation and amortization attributable to discontinued operations	1,273		(140)	1,133
Depreciation and amortization uniquely significant to real estate - consolidated	28,257		22,328	50,585
Depreciation and amortization uniquely significant to real estate - unconsolidated joint ventures	422			422
Loss/(gain) on sale of real estate	(1,702)			(1,702)
Funds from operations	$ 41,695	$ 51,230	$ (38,621)	$ 54,304
Weighted average shares	12,271		2,300	14,571
Funds from operations per share - diluted	$ 3.40			$ 3.73

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused the report to be signed its behalf by the undersigned thereunto duly authorized.

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Executive Vice President, Chief Financial Officer

Date: December 8, 2003

EXHIBIT 2.1

THE SELLERS NAMED HEREIN,

collectively, as Sellers

AND

COROC HOLDINGS L.L.C.,

as Purchaser

PURCHASE AND SALE AGREEMENT

Dated: as of October 3, 2003

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SCHEDULES

EXHIBITS

	TIF Agreement
Exhibit 18(c)(x)	Form of Assignment and Assumption of the Westbrook II Contract
Exhibit 22	FIRPTA Affidavit
Exhibit 37(e)	Sellers' Taxpayer Identification Numbers

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of the ___ day of October, 2003, between each of the entities listed in the column entitled "Sellers" on Schedule R1 attached hereto and made a part hereof (individually, a "Seller"; collectively, "Sellers"), each having an address at c/o Rothschild Realty, Inc., 1251 Sixth Avenue, 51st Floor, New York, New York 10020 and COROC HOLDINGS L.L.C., a Delaware limited liability company, having an address at 345 Park Avenue, New York, New York 10154 ("Purchaser").

W I T N E S S E T H :

WHEREAS, Sellers are collectively the owners of those certain parcels of land (or leasehold interests therein) more particularly described on Schedule R1 attached hereto (the "Land") together with the buildings and other improvements located on the Land (the "Improvements"; the Land and the Improvements, collectively, the "Properties"). Each Seller is the owner of the Property listed in the column entitled "Property" opposite its name on Schedule R1 attached hereto. The Properties, together with the Asset-Related Property (as defined below), shall be referred to herein, collectively, as the "Assets"; and

WHEREAS, subject to the terms and conditions of this Agreement, Purchaser desires to purchase from Sellers, and Sellers desire to sell to Purchaser, the Assets on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties hereto, intending to be legally bound, covenant and agree as follows:

1. DEFINITIONS.

Capitalized terms set forth herein shall have the meanings ascribed to such terms in the text hereof or on Schedule 1 attached hereto. As used in this Agreement, the term "Business Day" shall mean every day, other than Saturdays, Sundays and any other day on which clearing banks in New York City, New York are not generally open for the conduct of banking business during normal business hours.

2. PURCHASE AND SALE.

(a) Subject to the terms and conditions of this Agreement, at the Closing, Sellers shall sell, transfer and deliver to Purchaser the Assets, free and clear of all liens, mortgages, attachments, pledges, encumbrances, charges, options, rights of first refusal, claims or security interests of any nature whatsoever ("Liens") except for the Permitted Encumbrances, and Purchaser will purchase such Assets from Sellers, for the Purchase Price. The transfer of the Assets to Purchaser shall include the transfer of all Asset-Related Property relating to each Property. For purposes of this Agreement, "Asset-Related Property" shall mean all right, title and interest of each Seller and, to the extent set forth below, the Existing Manager or any affiliate thereof, in and to (i) the easements, covenants and other rights appurtenant to such Seller's Property and in any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining such Property and to the center line thereof, (ii) all furniture, fixtures, vehicles, equipment, computers and other personal property (except the Excluded Personality) owned by such Seller (or on behalf of such Seller through the Existing Manager or any affiliate of either of them) which are now, or may hereafter prior to the Closing Date be, placed in or attached to such Seller's Property, subject to depletions and ordinary wear and tear, (iii) to the extent they may be transferred under applicable law, all licenses, permits and authorizations presently issued to a Seller (or on behalf of such Seller through the Existing Manager or any affiliate of either of them) in connection with the operation of all or any part of such Seller's Property as it is presently being operated, (iv) to the extent assignable, all guarantees and warranties, if any, issued to a Seller (or Existing Manager or any affiliate thereof, held on behalf of such Seller) by any manufacturer or contractor in connection with construction or installation of equipment or any component of the improvements included as part of such Seller's Property, all leases, licenses or any other occupancy agreements demising any space at any of the Properties, whether written or oral, together with all amendments, modifications and supplements (collectively, the "Leases") and Contracts (other than the Terminated Contracts), and all security and escrow deposits held by such Seller in connection therewith, in effect on the Closing Date, all books, records, tenant files, Property files and similar items (to the extent none of the above is confidential information that Seller reasonably determines may not be provided to Purchaser) in a Seller's or the Existing Manager's possession which relate to the operation or management of such Seller's Property, other than any legally privileged materials and attorney work product, (vii) any cash escrows or reserves held by the Lender on behalf of Sellers under the Existing Financing as of the Closing Date, (viii) all Trademarks and all registrations,

applications and common law rights relating to such Trademarks, together with the goodwill of the business symbolized thereby, (ix) the Websites, any intellectual property rights in such Websites, including the goodwill of the business symbolized thereby, any associated numerical internet protocol address related thereto and any website operated at such domain name, (x) to the extent assignable without additional cost to such Seller, all contact information, email databases and mailing lists relating to customers and maintained by such Seller or the Existing Manager, (xi) to the extent assignable without additional cost to such Seller, all computer software licenses for programs used in connection with such Seller's Property, (xii) all brochures, marketing materials and advertising materials relating to each Property and (xiii) to the extent assignable, all general intangibles relating to the ownership of such Seller's Property owned by such Seller (or on behalf of such Seller through the Existing Manager or by an affiliate of either of them); provided, however, that in no event shall the term "Asset-Related Property" be deemed to include the software known as the Vertical Market Software for the Real Estate Industry, distributed by Management Reports, Inc., or any data or other information contained therein or maintained in connection therewith.

(b) The parties hereto acknowledge and agree that the value of any personal property at the Property is de minimis and no part of the Purchase Price is allocable thereto. Although it is not anticipated that any sales tax shall be due and payable, Purchaser agrees that Purchaser shall pay any and all sales and/or compensating use taxes imposed upon or due in connection with the transactions contemplated hereunder under any applicable laws. Purchaser shall file all necessary tax returns with respect to all such taxes and, to the extent required by applicable law, Seller will join in the execution of any such tax returns.

3. PURCHASE PRICE AND DEPOSIT; ALLOCATION OF PURCHASE PRICE.

(a) Subject to the credits set forth in Section 3(c) hereof and the adjustments set forth in Section 6 hereof, the aggregate purchase price for all of the Assets is FOUR HUNDRED NINETY-ONE MILLION DOLLARS ($491,000,000) (the "Purchase Price").

(b) The Purchase Price shall be payable as follows:

(i) Simultaneously with the execution of this Agreement by Purchaser, Purchaser shall deliver (or cause to be delivered) to the Title Company, as escrow agent ("Escrow Agent"), the amount of Ten Million Dollars ($10,000,000) (together with any interest earned thereon, the "Deposit"). Escrow Agent shall hold the Deposit in accordance with the provisions of Section 37 hereof and shall immediately notify Sellers and Purchaser upon its receipt thereof; and

(ii) At the Closing, Sellers shall be entitled to direct Escrow Agent to disburse the Deposit to Sellers, and Purchaser shall deliver the balance of the Purchase Price (i.e., the Purchase Price, as adjusted pursuant to Section 6 hereof and as reduced by any credit applied pursuant to Section 3(c) hereof, less the Deposit) to the Escrow Agent with irrevocable instructions to immediately disburse same to Sellers, together with instructions confirming Sellers' right to the Deposit. Such balance of the Purchase Price shall be paid in cash.

(c) At the Closing, Purchaser shall be entitled to a credit against the Purchase Price in the amount equal to the outstanding principal balance of the Existing Financing as of the Closing (the "Outstanding GMAC Principal Balance"), whether or not Purchaser elects to defease the Existing Financing in accordance with Section 4(c) hereof, without giving effect to any amounts required to be paid by Purchaser in excess of such outstanding principal balance (including, without limitation, all fees, third-party costs and expenses) in connection with any such defeasance.

(d) All monies payable by Purchaser under this Section shall be paid by wire transfer of immediately available federal funds for credit to the Escrow Agent in accordance with the instructions set forth on Exhibit 3(d) hereto, unless otherwise directed by Escrow Agent.

(e) Purchaser and Sellers acknowledge and agree that the Purchase Price has been allocated to the Assets in accordance with the provisions of Section 1060 of the Internal Revenue Code and the regulations promulgated thereunder and such allocation is set forth on Schedule 3(e) hereto (the "Allocated Purchase Price"). The Allocated Purchase Price shall be binding upon the parties hereto and upon each of their successors and assigns. Purchaser and Seller each shall report and file all tax returns (including amended tax returns and claims for refund and IRS Form 8594, Asset Acquisition Statement) and shall cooperate in the filing of any forms consistent with the amounts set forth on Schedule 3(e), unless otherwise required pursuant to a final "determination" as defined in Section 1313(d) of the Internal Revenue Code; provided, however, that notwithstanding the foregoing neither Purchaser nor Sellers shall take any position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any taxing authority or any other proceedings).

(f) Purchaser and Sellers agree that it is a material consideration of this

Agreement that neither party shall have the right to terminate this Agreement in part with respect to a Property, it being the intent of the parties that, unless Sellers and Purchaser shall otherwise mutually agree in writing, this Agreement sets forth an "all or none" transaction.

4. GMAC LOAN.

(a) Each Seller listed on Schedule 4(a) hereto has granted a mortgage or deed of trust to GMAC Commercial Mortgage Corporation (together with its successors and assigns, "Lender") as security for an existing mortgage financing (the "Existing Financing"), originally made by Lender to such Sellers, jointly and severally, in the original aggregate principal amount of $200,000,000. It is the intention of Sellers and Purchaser, and Purchaser hereby agrees, that Purchaser shall acquire the Properties, subject to all of the obligations of the Sellers from and after the Closing under that certain Loan Agreement, dated as of June 18, 1998 (the "Loan Agreement"), and all related loan documents for the Existing Financing as set forth on Schedule 4(a) hereto (together with the Loan Agreement, collectively, the "Loan Documents"). In addition, it is the intention of Sellers and Purchaser, and Purchaser hereby agrees, that, at Closing, Purchaser (or its, direct or indirect, wholly-owned subsidiary or subsidiaries) shall assume each and every obligation of Sellers arising from and after the Closing under the Loan Documents to which such Sellers are a party.

(b) Sellers and Purchaser shall use commercially reasonable efforts to obtain the consent of Lender to the transactions contemplated by this Agreement that require the consent of Lender in accordance with the Loan Documents, including, without limitation, the assumption by Purchaser (or its, direct or indirect, wholly-owned subsidiary or subsidiaries) of all of the obligations of Sellers under the Loan Documents arising from and after the Closing. Purchaser agrees, at its sole cost and expense, to deliver such information as may be reasonably required by Lender in connection with Lender's evaluation of the transactions contemplated hereby, including, without limitation, financial statements, non-consolidation opinions, qualified property management agreements and title endorsements (provided that Sellers shall be responsible for those fees, costs and other amounts charged by Lender as provided in Section 17(b) hereof). Purchaser agrees that, no later than ten Business Days after the date hereof, it shall submit to Lender a description of its proposed ownership structure of the Properties, including identifying Blackstone Real Estate Partners IV L.P., Tanger Properties Limited Partnership and General Electric Capital Corporation and their respective affiliates (collectively, the "Controlling Capital Partners") as the source of not less than 95% of the capital to be utilized by Purchaser in acquiring the Properties ("Purchaser's Capital Structure"). Purchaser further agrees that, in connection with obtaining such consent, all materials delivered by or on behalf of Purchaser to Lender (or the applicable rating agencies) shall be consistent with the representations and warranties of Purchaser set forth in Section 12(e) hereof, and copies of all such material shall be sent concurrently to Sellers. The obligation of each of Sellers and Purchaser to close the transactions contemplated herein shall be conditioned upon the execution and delivery of an assignment and assumption agreement in form and substance reasonably satisfactory to Lender, such Sellers and Purchaser (the "Loan Assignment and Assumption Document"), which Loan Assignment and Assumption Document shall include (i) the full general unconditional release of such Sellers (including Public Employees Retirement System of Ohio ("OPERS"), as applicable) from all obligations arising under the Existing Financing and the Loan Documents from and after the Closing Date, (ii) a statement from Lender dated as of a date on or about the Closing disclosing as of the Closing (A) the Outstanding GMAC Principal Balance, (B) all interest, fees and other amounts due Lender under the Existing Financing ("Additional GMAC Debt"), (C) the cash balance of all escrows and reserves held by Lender as collateral under the Loan Documents, (D) a list of all of the Loan Documents, and (E) the absence of defaults under the Loan Documents, and (iii) a consent by Lender to (A) the transactions contemplated by this Agreement, (B) Purchaser's Capital Structure, (C) the organizational documents of each Controlling Capital Partner, (D) transfers from time to time of direct or indirect interests in Purchaser or control of Purchaser, in each case, among the Controlling Capital Partners and (E) Tanger Properties Limited Partnership ("Affiliated Manager") as the new property manager of the Properties. Each of Purchaser's, direct or indirect, wholly-owned subsidiary or subsidiaries assuming the obligations of one or more Sellers under the Existing Financing and Purchaser, to the extent it is assuming the obligations of one or more Seller under the Existing Financing, shall comply with the special purpose entity requirements set forth in the Loan Documents. Sellers shall each use commercially reasonable efforts to execute and deliver such other documents and opinions as may be reasonably required by Lender; provided, however, that Sellers and Purchaser agree that Sellers shall not be obligated to pay Lender any assumption fees in excess of the assumption fee, if any, expressly set forth in the Loan Documents.

(c) Notwithstanding the provisions of Section 4(a) or Section 4(b) hereof, if Purchaser elects not to have the Existing Financing encumber any of the Properties as of the Closing, Sellers shall cooperate with Purchaser in exercising the rights of the applicable Sellers under Section 5 of the Loan Agreement to effect a Defeasance (as such term is defined in the Loan Agreement) with respect to all of the Properties encumbered by the Existing Financing; provided, however, that (i) any such Defeasance must be accompanied by the full general unconditional release of such Sellers (including OPERS, as applicable)

for any obligations arising under the Existing Financing and the Loan Documents from and after such Defeasance, (ii) Purchaser shall be solely responsible for any and all costs, fees and other amounts required in connection with such Defeasance, including, without limitation, any and all costs of Lender and Lender's counsel, whether required in the form of a deposit or advance payment, and the amount of all collateral required to be posted in connection with such Defeasance, including any guaranties thereof, and Purchaser shall be solely responsible for the issuance of any and all legal opinions, accountant certifications, analyses, reports and other documentation required of Sellers in connection with such Defeasance and (iii) no such Defeasance shall become effective until and unless the Closing occurs in accordance herewith. Notwithstanding the foregoing, Purchaser's right to effect a Defeasance shall be conditioned on Purchaser's full and timely performance of all conditions precedent to such Defeasance, with Sellers' reasonable cooperation (at Purchaser's expense), and full and timely payment of all amounts required in connection with such Defeasance, whether incurred by (or charged to) Purchaser, Sellers or any party acting on behalf of any of them in connection with such Defeasance.

(d) Unless Section 4(c) applies, in connection with obtaining the consent of Lender, Purchaser covenants that it shall represent to Lender that Affiliated Manager shall assume management the Properties encumbered by the Existing Financing effective as of the Closing.

5. STATUS OF TITLE; PERMITTED ENCUMBRANCES; TITLE INSURANCE.

(a) Subject to the terms and provisions of this Agreement, at Closing, each Property shall be conveyed to Purchaser subject only to the Existing Financing and the matters described on Schedule 5(a) hereto with respect to such Property (collectively, the "Permitted Encumbrances").

(b) (i) The parties acknowledge that Purchaser has received, reviewed and approved copies of the title commitments, each issued by Fidelity National Title Insurance Company of New York (the "Title Company"), as more particularly described on Schedule 5(b) hereto (collectively, the "Title Commitments"), together with copies of all instruments disclosed on the Title Commitments. Purchaser may order commitments to update the Title Commitments (collectively, the "Update Commitment") (and Purchaser has ordered but not yet received a commitment for the Lands more particularly described on Schedule R1-6), additional title insurance, if desired, and endorsements through the Title Company for any title insurance obtained in connection with the transactions contemplated hereby. Purchaser also acknowledges that it has received, reviewed and approved, certain land surveys for each Property described on Schedule 5(b) (the "Existing Surveys") prior to the date hereof and that Purchaser has no objection to any matters set forth on such Existing Surveys; provided, however, that Purchaser acknowledges that it has ordered updated land surveys for each Property (the "Updated Surveys") and Purchaser shall have the right to object to any matters disclosed on such Updated Surveys which were not disclosed on the applicable Existing Survey which would (A) create an exception to title over which the Title Company is not willing to insure over without additional cost to Purchaser, (B) interfere with the current use or operation of such Property or (C) otherwise materially impair the value of such Property (the foregoing, a "Survey Objection").

(ii) Purchaser shall direct the Title Company to deliver a copy of any Update Commitment to Sellers simultaneously with its delivery of the same to Purchaser. If, prior to the Closing Date, an Updated Survey received by Purchaser shall disclose matters which were not disclosed on the Existing Surveys and which constitute Survey Objections, or if the Title Company shall deliver any Update Commitment which discloses a Lien or other title exception which is not a Permitted Encumbrance with respect to a Property (each, an "Update Exception"), then Purchaser shall have until the earlier of (A) five (5) Business Days after delivery of such Update Commitment or Updated Survey, as the case may be, or (B) the Business Day immediately preceding the Closing Date (the "Update Objection Date"), time being of the essence, to deliver written notice to Sellers objecting to any of the Update Exceptions (the "Update Objections"). If Purchaser fails to deliver a notice of Update Objections by the Update Objection Date, Purchaser shall be deemed to have objected to all Update Exceptions and the same shall be deemed Update Objections and shall not be deemed Permitted Encumbrances with respect to such Property, except as provided in Section 5(b)(ii) hereof. If Purchaser shall deliver such notice of Update Objections by the Update Objection Date, any Update Exceptions which are not objected to in such notice shall not constitute Update Objections and shall be deemed Permitted Encumbrances.

(iii) Purchaser shall not be entitled to object to, and shall be deemed to have approved, any Liens or other title exceptions (and the same shall not constitute Update Objections but shall be deemed Permitted Encumbrances) (1) over which the Title Company is willing to insure (without additional cost to Purchaser), (2) against which the Title Company is willing to provide affirmative insurance (without additional cost to Purchaser), (3) which are Liens or title exceptions which affect the interest of tenants as tenants only under the Leases or (4) which will be extinguished upon the transfer of the Property. Notwithstanding anything to the contrary contained herein, if Sellers are unable to eliminate any of the Update Objections by the Closing Date, unless the same are waived by

Purchaser without any abatement in the Purchase Price, Sellers may, upon at least two (2) Business Days' prior notice ("Title Cure Notice") to Purchaser (except with respect to matters first disclosed during such two (2) Business Day period, as to which matters notice may be given at any time through and including the Closing Date) adjourn the Closing Date in order to attempt to eliminate such exceptions for a period ("Title Cure Period") not to exceed the later of (A) thirty (30) days or, (B) the date which is ten (10) Business Days after the Lender shall have given its consent to the assumption of the Existing Financing by Purchaser.

(c) If Sellers are unable to eliminate any of the Update Objections within the Title Cure Period then, Purchaser shall have the right to terminate this Agreement by notice given to Seller within ten (10) Business Days following expiration of the Title Cure Period (a "Title Default Termination Notice"), time being of the essence, in which event Purchaser shall be entitled to a return of the Deposit. If Purchaser shall fail to deliver the Title Default Termination Notice within the ten (10) Business Day period described therein, time being of the essence, (i)such Update Exceptions shall be deemed to be, for all purposes, a Permitted Encumbrance, (ii) Purchaser shall be deemed to have agreed to proceed with the acquisition of the Properties without abatement of the Purchase Price, and (iii) Sellers shall have no obligations whatsoever after the Closing Date with respect to a Seller's failure to cause such Update Exceptions to be eliminated. Upon the proper and timely giving of any Title Default Termination Notice, the Deposit shall be returned to Purchaser and this Agreement shall terminate and neither party hereto shall have any further rights or obligations hereunder other than those which are expressly provided to survive the termination hereof.

(d) It is expressly understood that in no event shall Sellers be required to bring any action or institute any proceeding, or (except as provided in the next sentence) to otherwise incur any costs or expenses, in order to attempt to eliminate any Update Objection. Notwithstanding the foregoing, Sellers shall be required to remove (or cause to be removed from record), by payment, bonding or otherwise: any Update Objections which have been voluntarily recorded or otherwise placed by Sellers or any affiliate against a Property on or following the date of the applicable Title Commitment (other than with the approval or deemed approval of Purchaser, which approval shall not be unreasonably withheld, conditioned or delayed), (ii) the lien of any mortgage affecting a Property, whenever created, other than the lien of any mortgage securing the Existing Financing, or any Update Objections which would not fall within the definition of clause (i) above and which can be removed by the payment of a liquidated sum of money, provided that with respect to such items set forth in this clause (iii), in no event shall Sellers be obligated to expend amounts in excess of $200,000 with respect to any one Property or $2,000,000 in the aggregate with respect to all Properties pursuant to the provisions of this sentence.

(e) If Sellers shall have adjourned the Closing Date in order to cure Update Objections in accordance with the provisions of this Section 5, Sellers shall, upon the satisfactory cure thereof, promptly reschedule the Closing Date, upon at least five (5) Business Days' prior notice to Purchaser (the "New Closing Notice"); it being agreed, however, that if any matters which are Update Objections arise between the date the New Closing Notice is given and the rescheduled Closing Date, Sellers may again adjourn the Closing for a reasonable period or periods, in order to attempt to cause such exceptions to be eliminated by sending Purchaser a Title Cure Notice, it being agreed, however, that Sellers shall not be entitled to adjourn the new Closing Date pursuant to this Section 5 for a period or periods in excess of forty-five (45) days in the aggregate.

(f) If the Update Commitment discloses judgments, bankruptcies or other returns against other entities having names the same as or similar to any Seller, on request the applicable Seller shall deliver (or cause to be delivered) to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against such entity in order to request the Title Company to omit exceptions with respect to such judgments, bankruptcies or other returns or to insure over same.

(g) Purchaser and Sellers shall deliver to the Title Company evidence reasonably requested by the Title Company (i) to establish the legal existence of Purchaser and Sellers, (ii) the authority of the respective signatories of Sellers and Purchaser to bind the Sellers and Purchaser, as the case may be, and (iii) satisfaction of the title requirements set forth on Schedule B-1 of each Title Commitment or Update Commitment, other than Permitted Encumbrances.

6. APPORTIONMENTS.

(a) The adjustments described in this Section 6 shall be calculated with respect to each Property as of Closing. The aggregate Purchase Price to be paid by Purchaser to Sellers shall be adjusted by the aggregate of all adjustments.

(b) All of the apportionments in this Section 6, including the following, except as specifically provided herein, shall be apportioned between Sellers and Purchaser as of 11:59 p.m. on the day immediately preceding the Closing Date (the "Apportionment Date") on the basis of the actual number of days of the month which shall have elapsed as of the Closing Date and based upon the actual number of days in the month and a 365 day year; provided, however, that solely

for purposes of an initial calculation thereof for the Closing, any payments from tenants or other third-parties to be pro-rated in accordance with this Section 6 which are then held in a lockbox account with the Lender, shall be calculated on the date that is two days preceding the Closing Date and, upon collection thereof by Purchaser, all remaining sums due and payable to Seller as of the Apportionment Date shall be remitted to Seller by Purchaser:

(i) as more particularly set forth in Section 6(c) hereof, prepaid rents, fixed rents and additional rents payable pursuant to the Leases (including, without limitation, operating expense escalation payments, real estate tax escalation payments and percentage rent, if any, payable under the Leases) (collectively, "Rents");

(ii) fuel, if any, as estimated by Sellers' suppliers, at current cost, together with any sales taxes paid in connection therewith, if any (a letter from such fuel supplier shall be conclusive evidence as to the quantity of fuel on hand and the current cost therefor);

(iii) prepaid fees for licenses and other permits assigned to Purchaser at the Closing or otherwise remaining in force for the benefit of the owner of the applicable Property after the Closing;

(iv) any amounts payable to, or prepaid or payable by (or on behalf of), the owner of the Property under any service, maintenance, supply, marketing, billboard, coop billboard agreements or other agreement relating to the operation of the Property (together with all modifications, amendments and supplements relating thereto, collectively, the "Contracts") which are set forth on Schedule 11(a)(xii) (other than the Terminated Contracts) or are entered into after the date hereof in accordance with the terms of this Agreement; and

(v) all other pro-ratable items normally and customarily pro-rated for commercial properties in the jurisdiction in which such Property is located.

(c) (i) Monthly base rents (collectively, "Base Rents") under the Leases shall be adjusted and prorated on an if, as and when collected basis. Base Rents collected by or on behalf of Sellers, after the Closing Date from tenants who owe Base Rents for periods prior to the Closing Date, shall be applied first, in payment of Base Rents for the month in which the Closing Date occurs; second, in payment of Base Rents for the month immediately preceding the Closing Date; (C) third, in payment of Base Rents for all periods after the Closing Date and (D) fourth, after Base Rents for all periods after the Closing Date have been paid in full, in payment of Base Rents for the periods prior to the Closing Date and not paid pursuant to the preceding subclauses (A) or (B). Each such amount, less reasonable collection costs, shall be adjusted and prorated as provided above, and the party receiving such amount (or the benefit of such amount) shall, within thirty (30) days, pay (or cause to be paid) to the other party the portion thereof to which such party is so entitled.

(ii) Purchaser shall bill (or cause to be billed) tenants owing Base Rents for periods prior to the Closing Date, on a monthly basis for a period of ninety (90) days following the Closing Date, and during such period, Purchaser shall use commercially reasonable efforts to collect (or cause to be collected) such past due Base Rents; provided, however, that Purchaser shall have no obligation to commence (or cause the owner of any Property to commence) any actions or proceedings to collect any such past due Base Rents. Base Rents collected by (or on behalf of) Purchaser after the Closing Date to which Sellers are entitled pursuant to Section 6(c)(i) shall be paid to Sellers within thirty (30) days after receipt thereof by Purchaser (or Purchaser's agent). Purchaser shall provide Sellers monthly statements setting forth the status of such collection efforts. Commencing as of ninety-one (91) days after the Closing Date, Sellers may take all steps it deems appropriate, at their sole cost and expense, including, without limitation, the prosecution of one or more lawsuits, to collect Base Rents delinquent as of the Closing Date which are still uncollected (provided, however, that Sellers may not cause any Lease to be terminated or attempt to cause any tenant thereunder to be evicted), and Purchaser shall cause the owner of the Property with respect to which such Base Rents are to be collected to reasonably cooperate in any and all such actions.

(iii) With respect to any Lease that provides for the payment of additional or escalation rent based upon (A) a percentage of a tenant's gross sales during a specified annual or other period or (B) Property Taxes, operating expenses, labor costs, cost of living indices or porter's wages (collectively, "Overage Rent"), such Overage Rent shall be adjusted and prorated on an if, as and when collected basis.

(iv) Purchaser shall (or shall cause the owner of each Property to) (A) render bills for any Overage Rent payable for any accounting period that expired prior to the Closing Date, but which is to be paid after the Closing Date; (B) bill tenants for such Overage Rent attributable to an accounting period that expired prior to the Closing Date, on a monthly basis, for a period of ninety (90) days thereafter; and (C) use commercially reasonable efforts in the collection of such Overage Rent; provided, however, that Purchaser shall have no obligation to commence (or cause the owner of any Property to commence) any actions or proceedings to collect any such Overage Rents. If Purchaser shall be unable to collect such Overage Rents during the aforementioned ninety (90) day period,

Sellers shall have the right to pursue tenants to collect such delinquencies, at its sole cost and expense, including, without limitation, the prosecution of one or more lawsuits (provided, however, that Sellers may not cause any Lease to be terminated or attempt to cause any tenant thereunder to be evicted), and Purchaser shall cause the owner of the Property with respect to which such Overage Rents are to be collected to reasonably cooperate in any and all such actions. Sellers shall furnish to Purchaser all information relating to the period prior to the Closing Date necessary for the billing of such Overage Rent, and Purchaser shall deliver to Sellers, concurrently with delivery to tenants, copies of all statements relating to Overage Rent for any period prior to the Closing Date. Purchaser shall bill (or cause to be billed) tenants for Overage Rents for accounting periods prior to the Closing Date in accordance with and on the basis of such information furnished by Sellers.

(v) Overage Rent payable for the accounting period in which the Closing Date occurs shall be apportioned between Sellers and Purchaser based upon the ratio that the portion of such accounting period prior to the Closing Date bears to the entire such accounting period. If, prior to the Closing Date, Sellers (or their agent) receive any installments of Overage Rent attributable to Overage Rent for periods from and after the Closing Date, such sums shall be apportioned at the Closing Date. If Purchaser (or its agent) receives any installments of Overage Rent attributable to Overage Rent for periods prior to the Closing Date, such sums (less reasonable collection costs actually incurred by Purchaser) shall be paid to Sellers within thirty (30) days after Purchaser (or its agent) receives payment thereof.

(vi) Any payment by tenants of Overage Rent shall be applied to Overage Rents then due and payable in the following order of priority: (A) first, in payment of Overage Rents for the accounting period in which the Closing Date occurs, (B) second, in payment of Overage Rents for the period preceding the accounting period in which the Closing Date occurs and (C) third, in payment of Overage Rents for the accounting period following the one in which the Closing Date occurs.

(vii) To the extent any portion of Overage Rent is required to be paid monthly by tenants on account of estimated amounts for the current period, and at the end of each calendar year (or, if applicable, at the end of each lease year or tax year or any other applicable accounting period), such estimated amounts are to be recalculated based upon the actual expenses, taxes and other relevant factors for that calendar (lease or tax) year, with the appropriate adjustments being made with such tenants, then such portion of the Overage Rent shall be prorated between Sellers and Purchaser on the Closing Date based on such estimated payments (i.e., with (A) Sellers entitled to retain all monthly installments of such amounts with respect to periods prior to the calendar month in which the Closing Date occurs, to the extent such amounts are as of the Closing Date estimated to equal the amounts ultimately due to Sellers for such periods, (B) Purchaser entitled to receive all monthly installments of such amounts with respect to periods following the calendar month in which the Closing Date occurs, and (C) Sellers and Purchaser apportioning all monthly installments of such amounts with respect to the calendar month in which the Closing Date occurs). At the time(s) of final calculation and collection from (or refund to) tenants of the amounts in reconciliation of actual Overage Rent for a period for which estimated amounts have been prorated, there shall be a re-proration between Sellers and Purchaser based on the period in time each party owned the relevant Asset, with the net credit resulting from such re-proration, after accounting for amounts required to be refunded to tenants, being payable to the appropriate party (i.e., to Sellers if the recalculated amounts exceed the estimated amounts and to Purchaser if the recalculated amounts are less than the estimated amounts).

(viii) To the extent that any tenant, pursuant to a right contained in an existing tenant lease, conducts an audit respecting any Overage Rent calculation (a "Rent Audit") for an accounting period that expired prior to the Closing Date, or otherwise becomes entitled to a refund of Overage Rent with respect to a period prior to the Closing Date, Sellers shall be liable for any refunds due to such tenant or be the recipient of any additional payments due by such tenant as the result of such Rent Audit. The results of any Rent Audit for any other accounting period shall be apportioned in the same manner as Overage Rent. Rent Audits for accounting periods that expire prior to the Closing Date shall be settled by the owner of the Property acting in accordance with Sellers' instructions or, if Seller so elects, shall be settled by such Seller directly, in each case at Sellers' sole cost and expense and in accordance with the applicable existing tenant Lease, subject to Purchaser's approval, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that Purchaser's consent to any such settlement shall not be required if the tenant as part of such settlement agrees that such settlement shall not be binding on the landlord in calculating similar amounts for subsequent years and tenant will not introduce any such settlement in challenging amounts due in any such subsequent year. Rent Audits for accounting periods prior to the Closing Date but extending after the Closing Date shall be settled by the owner of the Property acting in accordance with Purchaser's instructions and in accordance with the applicable existing Lease, but Sellers shall receive notice of all negotiations or proceedings in connection therewith, shall have the right to intervene therein and must approve all matters to be approved by the landlord under the applicable existing tenant Lease in connection therewith, which

approval shall not be unreasonably withheld, delayed or conditioned, and any and all costs relating to such audit shall be apportioned in accordance with the respective periods within such audit period that the Property was owned, directly or indirectly, by Sellers and Purchaser.

(ix) To the extent that any amounts are paid or payable by a tenant under a Lease to an owner of a Property prior to the Closing Date in advance of the period to which such expense applies, whether as a one time payment or in installments (e.g. for real property tax escalations), such amounts shall be apportioned as provided above but based upon the period for which such payments were or are being made.

(x) To the extent tenants pay items of Rent which are not Base Rents or Overage Rents, such as charges for common area charges or maintenance, marketing, electricity, steam, water, cleaning, overtime services, insurance, sundry charges or other charges of a similar nature (collectively, "Additional Rent"), such rent shall be applied based on the period covered by such Additional Rent charge (i.e., the period the applicable work, utility or service was provided). For any Additional Rent payable for a period that expired prior to the Closing Date, but which shall be paid after the Closing Date, Purchaser shall pay the entire amount thereof to Sellers within thirty (30) days after receipt thereof, less any reasonable collection costs actually incurred. Purchaser shall (A) render bills for any Additional Rent payable for any period that expired prior to the Closing Date, but which is to be paid after the Closing Date; (B) bill tenants for such Additional Rent attributable to a period that expired prior to the Closing Date, on a monthly basis, for a period of ninety (90) days thereafter; and (C) use commercially reasonable efforts in the collection of such Additional Rent; provided, however, that Purchaser shall have no obligation to commence (or cause the owner of any Property to commence) any actions or proceedings to collect any such Additional Rent. If Purchaser shall be unable to collect such Additional Rent during the aforementioned ninety (90) day period, Sellers shall have the right to pursue tenants to collect such delinquencies (including, without limitation, the prosecution of one or more lawsuits), provided that Sellers may not cause any Lease to be terminated or attempt to cause any tenant thereunder to be evicted, and Purchaser shall cause the owner of the Property with respect to which such Additional Rent is to be collected to reasonably cooperate in any and all such actions. Sellers shall furnish to Purchaser all information relating to the period prior to the Closing Date necessary for the billing of such Additional Rent, and Purchaser shall deliver to Sellers, concurrently with delivery to tenants, copies of all statements relating to Additional Rent for any period prior to the Closing Date. Purchaser shall bill tenants for Additional Rent relating to periods prior to the Closing Date in accordance with and on the basis of such information furnished by Sellers. Additional Rent payable for the period in which the Closing Date occurs shall be apportioned between Sellers and Purchaser based upon the same method used to apportion the underlying expense being billed to such tenant, or if such expense is not being apportioned, then based upon the ratio that the portion of such accounting period prior to the Closing Date bears to the entire such accounting period.

(xi) To the extent any payment received from a tenant after Closing does not indicate whether the payment is for an item of Base Rent, Overage Rent or Additional Rent, and the same cannot be clearly determined from the context of such payment (e.g., it is not accompanied by an invoice for an item of Base Rent, Overage Rent or Additional Rent in such amount), then such payment will be applied: first, to payment of any Base Rent then due or delinquent, in accordance with paragraphs (i) and (ii) above; second, to payment of any Additional Rent then due or delinquent, in accordance with paragraph (x) above; and third, to any Overage Rent then due or delinquent, in accordance with paragraphs (iii)-(ix) above.

(xii) To the extent any Seller receives any Base Rents, Overage Rents, or Additional Rent after the Closing Date from any tenant, such Seller shall, within five (5) Business Days, pay (or cause to be paid) such amount to Purchaser in which event such amounts shall be distributed by Purchaser in accordance with the applicable provisions of this Section 6(c).

(d) Real estate taxes, personal property taxes, vault charges and taxes, business improvement district taxes and assessments and any other governmental taxes, charges or assessments levied or assessed against the Property (collectively, "Property Taxes") shall be adjusted and prorated based on the periods of ownership by Sellers and Purchaser with Sellers being responsible for all Property Taxes accrued through the date of Closing (regardless of when payable) and Purchaser being responsible for all Property Taxes accruing after the Closing (regardless of when payable). If the Closing Date shall occur either before an assessment is made or a tax rate is fixed for the tax period in which the Closing Date occurs, the apportionment of such Property Taxes based thereon shall be made at the Closing Date by applying the tax rate for the preceding year to the latest assessed valuation, but, promptly after the assessment and/or tax rate for the current year are fixed, the apportionment thereof shall be recalculated and Sellers or Purchaser, as the case may be, shall make an appropriate payment to the other within five (5) Business Days based on such recalculation. If as of the Closing Date the Property or any portion thereof shall be affected by any special or general assessments which are or may become payable in installments, Sellers shall pay the unpaid installments of such

assessments which are due prior to the Closing Date and Purchaser shall pay the installments which are due on or after the Closing Date.

(e) If there are water meters at the Property, the unfixed water rates and charges and sewer rents and taxes covered by meters, if any, shall be apportioned (i) on the basis of an actual reading done within thirty (30) days prior to the Apportionment Date, or (ii) if such reading has not been made, on the basis of the last available reading. If the apportionment is not based on an actual current reading, then upon the taking of a subsequent actual reading, the parties shall, within thirty (30) days following notice of the determination of such actual reading, readjust such apportionment and Sellers shall deliver to Purchaser or Purchaser shall deliver to Seller, as the case may be, the amount determined to be due upon such readjustment.

(f) Charges for all electricity, steam, gas and other utility services (collectively, "Utilities") shall be billed to Sellers' account up to the Apportionment Date and, from and after the Apportionment Date, all Utilities shall be billed to Purchaser's account. If for any reason such changeover in billing is not practicable as of the Closing Date, as to any Utility, such Utility shall be apportioned on the basis of actual current readings or, if such readings have not been made, on the basis of the most recent bills that are available. If any apportionment is not based on an actual current reading, then upon the taking of a subsequent actual reading, the parties shall, within thirty (30) days following notice of the determination of such actual reading, readjust such apportionment and Sellers shall promptly deliver to Purchaser, or Purchaser shall promptly deliver to Sellers, as the case may be, the amount determined to be due upon such adjustment. Sellers shall arrange for a final reading of all utility meters (covering gas, water, steam and electricity) as of the Closing, except meters the charges of which are payable by tenants of each Property pursuant to such tenant's lease. Sellers and Purchaser shall jointly execute a letter to each applicable utility company advising such utility companies of the termination of Sellers' responsibility for such charges for utilities furnished to the applicable Property as of the date of the Closing and commencement of Purchaser's responsibilities therefor from and after such date.

(g) Purchaser and the owner of the Property, as owned (directly or indirectly) by Purchaser, shall have no right to receive any rental insurance proceeds which relate to the period prior to the Closing Date and, if any such proceeds are delivered to (or for the benefit of) Purchaser, Purchaser shall, within thirty (30) days following receipt thereof, pay the same to Seller.

(h) If the Closing occurs, Purchaser agrees that it shall be responsible for the payment of all Tenant Inducement Costs which become due and payable (whether before or after the Closing Date) arising from, relating to or in connection with (i) any renewals, modifications, amendments or expansions of existing Leases or other supplementary agreements relating thereto entered into between the date hereof and the Closing Date, in each case which have been approved (or deemed approved) by Purchaser to the extent required pursuant to the terms of Section 8 hereof, that certain lease proposed to be executed after the date hereof, by and between R.R. Laconia, Inc. and UR of Tilton NH, LLC, up to the actual Tenant Inducement Costs thereof, but not to exceed $250,000 and (iii) any new Leases entered into between the date hereof and the Closing Date, in each case which have been approved (or deemed approved) by Purchaser to the extent required pursuant to the terms of Section 8 hereof; provided, however, Sellers agree and shall be responsible for the payment of a pro rata portion of such Tenant Inducements Costs based on the portion of the term of the Lease to which such Tenant Inducement Costs relate which has expired prior to Closing, excluding the Tenant Inducement Costs set forth in subclause (ii). Seller shall be responsible for all other Tenant Inducement Costs with respect to the Leases not payable by Purchaser pursuant to the immediately preceding sentence. If, as of the Closing Date, Sellers shall have paid any Tenant Inducement Costs for which Purchaser is responsible pursuant to the foregoing provisions, Purchaser shall reimburse Sellers therefor at Closing provided that Sellers shall supply invoices and statements for all such Tenant Inducement Costs to Purchaser prior to the Closing Date. For purposes hereof, the term "Tenant Inducement Costs" shall mean any out-of-pocket payments required under a Lease to be paid by the landlord thereunder to or for the benefit of the tenant thereunder which is in the nature of a tenant inducement or concession, including, without limitation, tenant improvement costs, design, refurbishment and other work allowances, landlord's work to prepare the space for delivery to or occupancy by a tenant, fees for permits or tapping into utilities, lease buyout costs, and moving allowances and any leasing commissions in connection with such Leases; provided, however, that "Tenant Inducement Costs" shall not include loss of income resulting from any free rental period (it being agreed that Sellers shall bear such loss resulting from any free rental period with respect to the period prior to the Closing Date and that Purchaser shall bear such loss with respect to the period from and after the Closing Date). At Closing, Purchaser shall receive a credit against the balance of the Purchase Price in an amount equal to all Tenant Inducement Costs which are Seller's responsibility under this Section 6(h) and which have not then been paid.

(i) Any amounts actually received by a Seller or Purchaser in respect of tax increment or similar financing (net of any amounts which are payable by such Seller to any third-party) for the accounting period in which the Closing Date occurs shall be apportioned between such Seller and Purchaser as and when

received and based upon the ratio that the portion of such accounting period prior to the Closing Date bears to the entire such accounting period.

(j) At Closing, Purchaser shall receive a credit against the balance of the Purchase Price in an amount equal to the positive difference, if any, of (A) all marketing fees, contributions or other similar payments made by any tenant at the Property to Sellers which are allocable to the period prior to the Closing, less (B) the sum of (1) all contributions made by Sellers in respect of such marketing fees, contributions or other similar payments for which Sellers are entitled to reimbursement from tenants but have not yet collected from tenants at the Property, (2) amounts expended by Sellers for purposes of advertising or marketing such Property in accordance with the terms of such tenant's Lease, whether allocable to the period prior to Closing or after Closing (including any termination fees for terminating any marketing agreements as of Closing required by Purchaser to be terminated) and (3) an amount reasonably estimated by Sellers to be due for marketing expenses incurred prior to Closing for which invoices have not been received as of Closing. In furtherance of the foregoing, Sellers and Purchaser agree that Sellers shall be entitled to all payments from tenants in respect of periods prior to the Closing and shall be liable for such marketing expenses allocable for periods prior to the Closing and Purchaser shall be entitled to all payments from tenants in respect of periods from and after the Closing and shall be liable for such marketing expenses allocable for periods from and after the Closing.

(k) (1) At or prior to the Closing, Sellers and Purchaser and/or their respective agents or designees will jointly prepare a preliminary closing statement (the "Preliminary Closing Statement") which will show the adjustments and prorations calculated with respect to each Property and the net amount due either to Sellers or to Purchaser as the result of the sum of all adjustments and prorations provided for in this Agreement, and such net due amount will be added to or subtracted from the cash balance of the Purchase Price to be paid to Sellers at the Closing pursuant to Section 3, as applicable.

(2) Within 180 days following the Closing Date, Sellers and Purchaser will jointly prepare a supplemental closing statement reasonably satisfactory to Seller and Purchaser in form and substance (the "Supplemental Closing Statement") setting forth the determination of the adjustments and prorations provided for herein and setting forth any items which are not capable of being determined at such time (and the manner in which such items shall be determined and paid). The net amount due Sellers or Purchaser, if any, by reason of adjustments to the Preliminary Closing Statement as shown in the Supplemental Closing Statement, shall be paid in cash by the party obligated therefor directly to the party due such amount within five (5) Business Days following the obligated party's receipt of the approved Supplemental Closing Statement. The adjustments, prorations and determinations agreed to by Sellers and Purchaser in the Supplemental Closing Statement shall be conclusive and binding on the parties hereto except for any items which are not capable of being determined at the time the Supplemental Closing Statement is agreed to by Sellers and Purchaser, which items shall be determined and paid in the manner set forth in the Final Closing Statement set forth below and except for other amounts due hereunder pursuant to provisions which survive the Closing.

(3) Within 365 days following the Closing Date, Sellers and Purchaser will jointly prepare a final closing statement reasonably satisfactory to Seller and Purchaser in form and substance (the "Final Closing Statement") setting forth the final determination of the adjustments and prorations provided for herein and setting forth any items which are not capable of being determined at such time (and the manner in which such items shall be determined and paid). The net amount due Sellers or Purchaser, if any, by reason of adjustments to the Supplemental Closing Statement as shown in the Final Closing Statement, shall be paid in cash by the party obligated therefor directly to the party due such amount within thirty (30) days following the obligated party's receipt of the approved Final Closing Statement. The adjustments, prorations and determinations agreed to by Sellers and Purchaser in the Final Closing Statement shall be conclusive and binding on the parties hereto except for any items which are not capable of being determined at the time the Final Closing Statement is agreed to by Sellers and Purchaser, which items shall be determined and paid in the manner set forth in the Final Closing Statement and except for other amounts due hereunder pursuant to provisions which survive the Closing. The adjustments, prorations and determinations agreed to by Sellers and Purchaser in the Final Closing Statement shall be conclusive and binding on the parties hereto. Prior to and following the Closing Date, each party shall provide the other with such information as the other shall reasonably request (including, without limitation, access to the books, records, files, ledgers, information and data with respect to the Property during normal business hours upon reasonable advance notice) in order to make the preliminary, supplemental and final adjustments and prorations provided for herein.

(l) If any amount to be paid after Closing under this Section 6 shall not be paid in cash when due hereunder, the same shall bear interest (which shall be delivered together with the applicable payment hereunder) from the date due until so paid at a rate per annum equal to the Prime Rate (as such rate may vary from time to time) as reported in the Wall Street Journal plus 3% (the "Default

Rate"). To the extent a payment provision in this Section 6 does not specify a period for payment, then for purposes hereof such payment shall be due within thirty (30) days of the date such payment obligation is triggered.

(m) At Closing, Purchaser shall receive a credit against the balance of the Purchase Price in an amount equal to the security deposits provided for under the Leases which are then being held by Sellers in cash and as set forth on Schedule 11(a)(xiii).

(n) At Closing, Purchaser shall receive a credit against the balance of the Purchase Price in an amount equal to any unpaid Additional GMAC Debt.

(o) At Closing, Purchaser shall pay to Sellers an amount equal to the cash escrows and reserves (including interest accrued thereon) held by Lender on behalf of Sellers under the Existing Financing, including, without limitation, escrows and reserves for taxes, insurance, capital reserves and ground lease payments, which are transferred to Purchaser pursuant to this Agreement.

(p) Each item of fixed and additional rent under the Ground Lease shall be prorated as of the Apportionment Date.

(q) At Closing, Purchaser shall receive a credit against the balance of the Purchase Price in an amount equal to any net proceeds then received by Sellers under the Westbrook II Contract.

(r) The provisions of this Section 6 shall survive the Closing.

7. PROPERTY NOT INCLUDED IN SALE. Notwithstanding anything to the contrary contained herein, it is expressly agreed by the parties hereto that any fixtures, furniture, furnishings, equipment or other personal property, including, without limitation, trade fixtures in, on, around or affixed to an Improvement owned or leased by any tenant (other than through a lease from or with any Seller or any affiliate of any Seller) (collectively, "Excluded Personalty"), shall not be included in the Asset to be sold to Purchaser by any Seller hereunder, and shall, in no event, be deemed as being owned by any Seller.

8. COVENANTS OF SELLER. During the period from the date hereof until the Closing Date, each Seller shall:

(a) not enter into any new Leases at its Property, or amend, modify, supplement, extend, terminate or accept the surrender of any Leases at its Property (except in connection with the exercise by a tenant of renewal options, expansion options, assignment rights or subletting rights granted to such tenant under its existing Lease), in each case without Purchaser's prior written consent; provided, however, that Purchaser agrees that in connection with the approval of any new lease or any amendment, modification, supplement, extension or termination of any existing lease, Purchaser shall give its consent or rejection based on a term sheet, lease requisition or other similar summary of proposed lease terms (including a list of all Tenant Inducement Costs in connection with such proposed lease) within forty-eight (48) hours of its receipt of same from Sellers and if Purchaser (i) does not approve or reject same within such period, then Purchaser shall be deemed to have given its consent thereto and such Seller shall be entitled, without further approval or consent from Purchaser, to enter into lease documentation substantially consistent with the summary of terms submitted to Purchaser and (ii) rejects such summary of terms, then Purchaser shall specify its reason for same in reasonable detail;

(b) use commercially reasonable efforts to maintain in full force and effect the insurance policies currently in effect with respect to its Property (or replacements continuing similar coverage);

(c) operate, manage and lease (subject to the provisions of this Section 8) its Property in all material respects in a manner consistent with the past practice of such Seller;

(d) not (i) enter into any new Contract with respect to its Property which cannot be cancelled by the owner of the Property for any or no reason on 30, or fewer, days notice; (ii) enter into any new Contract with respect to its Property which requires the owner of the Property to pay more than $15,000 in any 30 day period; (iii) materially amend, modify, supplement or terminate any Contract with respect to its Property (other than the Terminated Contracts) except a Contract which is cancelable by either party for any or no reason upon 30, or fewer, days notice; or (1) materially amend, modify, supplement or terminate any Contract with respect to its Property (other than the Terminated Contracts) if such Contract as so amended, modified or supplemented would require the owner of the Property to pay more than $15,000 in any 30 day period, in each case without Purchaser's prior written consent; and Sellers shall, if requested in writing by Purchaser, send notice of termination on the Closing Date under such Contracts as Purchaser shall so request. Purchaser represents that it has reviewed and approved the Contracts listed on Schedule 11(a)(xii) as of the date hereof which are not cancelable on less than 30 days notice and Purchaser agrees that such Contracts shall not be required to be cancelled as of the Closing Date by Sellers;

(e) comply in all material respects with the terms of the Loan Documents and the Ground Lease and not amend or modify the Loan Documents or amend, modify or terminate the Ground Lease without Purchaser's prior written consent, in its sole discretion;

(f) promptly notify Purchaser of any material default under any Lease at its Property, any casualty or condemnation affecting all or any portion of its Property, any material repairs needed at its Property, and any litigation affecting it or its Property;

(g) deliver to the tenants under each Lease at its Property an estoppel certificate in the form attached hereto as Exhibit 8(g) or in the form as may be set forth under such tenant's lease and request that such tenants execute same and return them to Seller; provided, however, that in no event shall any Seller be required to bring any action or institute any proceeding, or to otherwise incur any material expenditures in connection therewith;

(h) use commercially reasonable efforts to obtain a consent and estoppel certificate from the ground lessor, substantially in the form attached hereto as Exhibit 8(h) (the "Ground Lessor Consent"), under that certain Ground Lease, dated as of November 9, 1994, by and between Anthony Iacono and Rosemarie Iacono, as ground lessor, and RBO Associates, L.P., as original ground lessee, as amended by that certain First Amendment to Ground Lease Agreement, dated February 28, 1995, as subsequently assigned to R.R. Rehoboth, Inc. (the "Ground Lease"); provided, however, that in no event shall Sellers be required to bring any action or institute any proceeding, or to otherwise incur any material expenditures in connection therewith;

(i) terminate all existing management agreements, leasing agreements, brokerage agreements and other agreements binding upon such Seller or affecting such Seller's Property that are not listed on Schedule 11(a)(xii) attached hereto on or before the Closing (the "Terminated Contracts"), and cause such property managers and on-site leasing or brokerage agents working under such terminated contracts to vacate its Property prior to the Closing, all at such Seller's sole cost and expense;

(j) comply in all material respects with the terms of the Westbrook II Contract and not amend, modify or terminate the Westbrook II Contract without Purchaser's prior written consent, in its sole discretion;

(k) comply in all material respects with the terms of the TIF Agreement and not amend, modify or terminate the TIF Agreement without Purchaser's prior written consent, in its sole discretion;

(l) not make material alterations to any of its Property, except for such alterations undertaken pursuant to any of the Leases or to preserve life, safety or property;

(m) not have the right to apply any security deposits held under Leases or to return the security deposit of any tenant held under Leases without Purchaser's prior written consent, except that each Seller shall have the right to (i) apply any security deposits held under Leases held by such Seller in respect of defaults by tenants under the applicable Leases which are continuing for more than sixty (60) days or tenants whose Leases have expired or have been terminated in accordance with such Lease and pursuant to the terms of this Agreement and (ii) return the security deposit of any tenant thereunder who, in the good faith judgment of such Seller, is entitled to the return of such deposit pursuant to the terms of its Lease or otherwise by law;

(n) deliver to L.L. Bean, Inc., within five (5) Business Days after the date hereof, the required written notice in respect of the LL Bean ROFR in a form approved by Purchaser, which approval shall not be unreasonably withheld, conditioned or delayed; and

(o) not voluntarily create or incur to exist any liens or encumbrance on or against its Property other than Permitted Encumbrances.

9. CONDITIONS TO CLOSING.

(a) Conditions to Obligations of Sellers. The obligation of Sellers to effect the Closing shall be subject to the fulfillment or written waiver by Sellers at or prior to the Closing Date of the following conditions (the "Sellers' Closing Conditions"):

(i) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true and correct as of the Closing Date, as though made at and as of the Closing Date; provided, however, that the fact that one or more of such representations and warranties may not be true or correct at such time shall not constitute a failure of this condition so long as all such untrue or incorrect representations and warranties, in the aggregate, do not result in a Material Adverse Effect. For purposes of this sub-section, "Material Adverse Effect" shall mean any condition, event, change or effect the results of which is that Sellers incur or will incur Losses in the aggregate in excess of $2,000,000.

(ii) Performance of Obligations. Purchaser shall have performed all material obligations required to be performed by it under this Agreement on and prior to the Closing Date, including payment of the full balance of the Purchase Price due hereunder.

(iii) Loan Assignment and Assumption Document. Unless a Defeasance is effected, delivery of a Loan Assignment and Assumption Document in accordance with Section 4(b) hereof, or, if a Defeasance has been effected, the full general unconditional release of Sellers from all obligations arising under the Existing Financing and the Loan Documents from and after the Closing.

(iv) Delivery of Documents. Each of the documents required under Section 18 to be delivered by Purchaser at Closing shall have been duly executed, as required, and delivered as provided herein.

(b) Conditions to Obligations of Purchaser. The obligations of Purchaser to effect the Closing shall be subject to the fulfillment or written waiver by Purchaser at or prior to the Closing Date of the following conditions (the "Purchaser's Closing Conditions"):

(i) Representations and Warranties. The representations and warranties of each Seller contained in this Agreement shall be true and correct when made and as of the Closing Date, as though made at and as of the Closing Date (except for representations and warranties made as of a particular date, which shall have been true and correct as of such date); provided, however, that the fact that one or more of such representations and warranties may not be true or correct at such time shall not constitute a failure of this condition so long as all such untrue or incorrect representations and warranties, in the aggregate, do not result in a Material Adverse Effect; provided, however, that in the event that a Material Adverse Effect has occurred, Purchaser shall notify Seller on becoming aware of the same and Sellers, in their sole discretion, may elect to give Purchaser a credit against the Purchase Price in an amount equal to the difference between the aggregate amount of Losses giving rise to such Material Adverse Effect and $2,000,000, and upon such credit being given, this condition shall be deemed satisfied. For purposes of this sub-section, "Material Adverse Effect" shall mean any condition, event, change or effect the results of which is that Purchaser incurs or will incur Losses in the aggregate in excess of $2,000,000.

(ii) Performance of Obligations. Each Seller shall have performed all material obligations required to be performed by such Seller under this Agreement on and prior to the Closing Date.

(iii) Loan Assignment and Assumption Document. Unless a Defeasance is effected, Purchaser shall have received the Loan Assignment and Assumption Document in accordance with Section 4(b) hereof.

(iv) Delivery of Documents. Each of the documents required under Section 18 to be delivered by each Seller at Closing shall have been delivered as provided herein.

(v) Delivery of Holdback. Sellers shall have delivered the Holdback to the Holdback Escrow Agent; provided, however, that Sellers may satisfy such obligation by directing, or Purchaser may cause the satisfaction of such obligation by causing, an amount equal to the Holdback to be paid to the Holdback Escrow Agent out of monies otherwise payable to Sellers in connection with Section 3(b)(ii) hereof; and, provided, further, that any such monies paid to the Holdback Escrow Agent and held as the Holdback shall be deemed payments made by Purchaser in accordance with Section 3(b)(ii) hereof.

(vi) Ground Lessor Consent. Purchaser shall have received the Ground Lessor Consent, substantially in the form of Exhibit 8(h).

(vii) Title. Title to each of the Properties shall be delivered to Purchaser in the manner required under Section 5, subject only to the Permitted Encumbrances.

(viii) Delivery of LL Bean ROFR Waiver; Purchaser's Extension. Sellers shall have delivered evidence reasonably satisfactory to Purchaser of L.L. Bean Inc.'s waiver of the LL Bean ROFR with respect to the applicable transactions contemplated hereby (the "LL Bean ROFR Waiver"); provided, however, that if such waiver has not been delivered by Sellers to Purchaser by October 27, 2003, then Purchaser may elect, upon written notice sent to Sellers not later than November 2, 2003, to extend the Closing, from time to time, to a date not later than February 1, 2004.

(c) Failure of Condition.

(i) If Purchaser is unable to satisfy (and Sellers have not waived in writing) any of the Sellers' Closing Conditions by the Closing Date, then this Agreement shall terminate. Upon the effectiveness of such termination, Purchaser shall be entitled to receive the Deposit (unless under Section 21(a) Sellers are entitled to retain the Deposit) and, subject to the provisions of Section 21, neither party shall have any further rights or obligations hereunder, except those expressly stated to survive the termination hereof. Nothing in this Section 9(c)(i) shall limit, restrict or negate any rights or remedies that Sellers have

under Section 21 of this Agreement in the event of a default by Purchaser.

(ii) If any Seller is unable to satisfy (and Purchaser has not waived in writing) any of the Purchaser's Closing Conditions by the Closing Date, then, Purchaser may elect to terminate this Agreement. Upon the effectiveness of such termination, Purchaser shall be entitled to receive the Deposit and, subject to the provisions of Section 21, neither party shall have any further rights or obligations hereunder, except those expressly stated to survive the termination hereof. Nothing in this Section 9(c)(ii) shall limit, restrict or negate any rights or remedies that Purchaser has under Section 21 hereof in the event of a default by any Seller.

10. CONDITION OF THE PROPERTY.

(a) PURCHASER EXPRESSLY ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, NEITHER SELLERS, NOR ANY PERSON ACTING ON BEHALF OF SELLERS (INCLUDING, WITHOUT LIMITATION, ROTHSCHILD REALTY, INC.), NOR ANY PERSON OR ENTITY WHICH PREPARED OR PROVIDED ANY OF THE MATERIALS REVIEWED BY PURCHASER IN CONDUCTING ITS DUE DILIGENCE, NOR ANY DIRECT OR INDIRECT OFFICER, DIRECTOR, PARTNER, MEMBER, SHAREHOLDER, EMPLOYEE, AGENT, REPRESENTATIVE, ACCOUNTANT, ADVISOR, ATTORNEY, PRINCIPAL, AFFILIATE, CONSULTANT, CONTRACTOR, SUCCESSOR OR ASSIGN OF ANY OF THE FOREGOING PARTIES (SELLERS, AND ALL OF THE OTHER PARTIES DESCRIBED IN THE PRECEDING PORTIONS OF THIS SENTENCE (OTHER THAN PURCHASER) SHALL BE REFERRED TO HEREIN COLLECTIVELY AS THE "EXCULPATED PARTIES") HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY ORAL OR WRITTEN REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESSED OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), WITH RESPECT TO ANY PROPERTY, THE PERMITTED USE OF ANY PROPERTY OR THE ZONING AND OTHER LAWS, REGULATIONS AND RULES APPLICABLE TO ANY PROPERTY OR THE COMPLIANCE BY ANY PROPERTY THEREWITH, THE REVENUES AND EXPENSES GENERATED BY OR ASSOCIATED WITH ANY PROPERTY, OR OTHERWISE RELATING TO ANY PROPERTY OR THE TRANSACTIONS CONTEMPLATED HEREIN. PURCHASER FURTHER ACKNOWLEDGES THAT ALL MATERIALS WHICH HAVE BEEN PROVIDED BY OR ON BEHALF OF ANY OF THE EXCULPATED PARTIES HAVE BEEN PROVIDED WITHOUT ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN OR IN ANY CLOSING DOCUMENT, AS TO THEIR CONTENT, SUITABILITY FOR ANY PURPOSE, ACCURACY, TRUTHFULNESS OR COMPLETENESS AND PURCHASER SHALL NOT HAVE ANY RECOURSE AGAINST SELLERS OR ANY OF THE OTHER EXCULPATED PARTIES IN THE EVENT OF ANY ERRORS THEREIN OR OMISSIONS THEREFROM. PURCHASER IS ACQUIRING EACH PROPERTY BASED SOLELY ON ITS OWN INDEPENDENT INVESTIGATION AND INSPECTION OF EACH PROPERTY AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLERS, OR ANY OF THE OTHER EXCULPATED PARTIES, EXCEPT FOR THE REPRESENTATIONS EXPRESSLY SET FORTH HEREIN OR IN ANY CLOSING DOCUMENT. PURCHASER EXPRESSLY DISCLAIMS ANY INTENT TO RELY ON ANY SUCH MATERIALS PROVIDED TO IT BY SELLERS IN CONNECTION WITH ITS DUE DILIGENCE AND AGREES THAT IT SHALL RELY SOLELY ON ITS OWN INDEPENDENTLY DEVELOPED OR VERIFIED INFORMATION, TOGETHER WITH THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT.

(b) EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, PURCHASER ACKNOWLEDGES AND AGREES THAT IT IS PURCHASING EACH PROPERTY "AS IS" AND "WITH ALL FAULTS", BASED UPON THE CONDITION (PHYSICAL OR OTHERWISE) OF SUCH PROPERTY AS OF THE DATE OF THIS AGREEMENT, REASONABLE WEAR AND TEAR, AND SUBJECT TO THE PROVISIONS OF SECTION 14 HEREOF. EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT, PURCHASER ACKNOWLEDGES AND AGREES THAT ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL NOT BE SUBJECT TO ANY FINANCING CONTINGENCY OR OTHER CONTINGENCIES OR SATISFACTION OF CONDITIONS AND PURCHASER SHALL HAVE NO RIGHT TO TERMINATE THIS AGREEMENT OR RECEIVE A RETURN OF THE DEPOSIT.

(c) Except with respect to any claims arising out of any breach of representations or warranties or covenants set forth in this Agreement or any Closing Document, Purchaser, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges the Exculpated Parties from any and all rights, claims and demands at law or in equity, whether known or unknown at the time of this Agreement, which Purchaser has or may have in the future, arising out of the physical, environmental, economic or legal condition of the Property, including, without limitation, any claim for indemnification or contribution arising under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.) or any similar federal, state or local statute, rule or ordinance relating to liability of property owners for environmental matters.

11. REPRESENTATIONS OF SELLER.

(a) Except as to representations made as of a specific date, each Seller, for itself solely as it relates to such Seller's Assets, hereby represents and warrants to Purchaser as of the date hereof, and (except as to representations made as of a specific date) as of the Closing, as follows:

(i) Organization. Each Seller is a corporation or a limited liability company and is duly organized or formed, validly existing and in good standing under the laws of the state of its organization or formation as more particularly set forth on Schedule R1.

(ii) Authorization and Enforceability. Such Seller has the requisite right,

power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. All acts and other proceedings required to be taken by such Seller to authorize the execution and delivery of this Agreement, and performance of the transactions contemplated hereby by such Seller, have been duly and properly taken. This Agreement has been duly executed and delivered by such Seller and constitutes the legal, valid and binding obligation of such Seller, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditor's rights generally and except for equitable remedies.

(iii) Seller's Authority to Own Properties. Such Seller has the requisite power and authority to own, lease and operate its Property identified opposite its name on Schedule R1 hereto, and to carry on its business as presently conducted. In all instances where such Seller owns a Property in a state different from the state under the laws of which such Seller was organized, (i) each such Seller that is a corporation is duly qualified or registered as a foreign corporation to do business, and is in good standing, in the state where the Property of such Seller is located, and (ii) each such Seller that is a limited liability company is and shall be duly qualified or registered as a foreign limited liability company to do business, and is in good standing, in the state where the Property of such Seller is located.

(iv) No Violations of Laws or Agreements. (1) The execution, delivery and performance by such Seller of this Agreement and the consummation by such Seller of the transactions contemplated hereby will not (A) violate in any material respect any provision of law or any rule or regulation to which such Seller or its Property is subject (it being understood that the necessity for filings and consents is dealt with separately in subparagraph (2) below), (B) conflict with or violate any order, judgment, injunction, award or decree binding upon such Seller or directly relating to its Property, conflict with or violate the certificate of incorporation, bylaws, or other similar governing documents of such Seller, (D) constitute a default or give rise to a right of termination, cancellation or acceleration of any right or obligation of such Seller under any provision of any agreement, contract or other instrument binding upon such Seller or any license, franchise, permit or other similar authorization held by such Seller, or (E) result in the creation or imposition of any Lien upon any of the assets of such Seller or its Property, except, in the case of any of the foregoing clauses other than clause (C), for any such conflict, violation, default, right or Lien which would not, individually or in the aggregate, be material.

(2) Except for the consent of GMAC to the assignment and assumption of the Existing Financing, the consent by the Ground Lessor to the assignment and assumption of the Ground Lease, and the waiver by L.L. Bean, Inc. of a right of first refusal contained in that certain Business Property Lease, dated October 14, 1994, originally between L.L. Bean, Inc. and RBO Associates , L.P. with respect to Rehoboth Outlets I, Sussex County, Delaware (the "LL Bean ROFR") with respect to the applicable transactions contemplated hereby, the execution, delivery and performance by such Seller of this Agreement and the consummation by such Seller of the transactions contemplated hereby do not require any consent from, or filing with, any governmental or regulatory authority or any other person or entity, except for any action, consent or filing that Purchaser is required to obtain or make.

(v) Financial Statements. Schedule 11(a)(v) hereto contains (a) the audited consolidated balance sheet of such Seller as of December 31, 2002, and the related audited consolidated statement of income of such Sellers for the fiscal years then ended, together with the notes to such financial statements (the "Year End Financial Statements") and (b) the unaudited consolidated balance sheet of such Seller as of June 30, 2003 (the "Interim Balance Sheet") and the related unaudited consolidated statement of income of such Seller for the 6 month period then ended (collectively, the "Interim Financial Statements" and, together with the Year End Financial Statements, the "Financial Statements")). The Financial Statements have been prepared in accordance with the books and records of such Seller. Except as set forth in Schedule 11(a)(v) hereto, the Financial Statements present fairly, in all material respects, the consolidated financial position of such Seller as of the date of such Financial Statements and the consolidated results of operations of such Seller for applicable periods then ended, in conformity with generally accepted accounting principles ("GAAP"), subject, in the case of the Interim Financial Statements, to the absence of footnotes and year-end adjustments. Since the date of the Interim Financial Statement to the date of the execution of this Agreement, such Seller has operated its Property in the ordinary course consistent with past practice and there has not been a material adverse change in the financial condition or result of operation of such Property taken as a whole.

(vi) Insurance. Schedule 11(a)(vi) contains a list of all policies of insurance held by, or maintained on behalf of, such Seller in effect for policy periods beginning on or after January 1, 2003, indicating for each policy the carrier, the insured, the type of insurance, the amounts of coverage and the expiration date, as well as a description of all claims in excess of $5,000 made thereunder within the one (1) year period prior to the date hereof. Except as set forth on Schedule 11(a)(vi), all such policies are in full force and effect, and such Seller has not received any written notice of cancellation, material amendment or material dispute as to coverage with respect to any such policies.

(vii) No Dissolution. Such Seller has not adopted a plan of liquidation or resolutions providing for a liquidation, dissolution, merger, consolidation or other reorganization.

(viii) Compliance with Applicable Laws. To such Seller's knowledge, except as set forth in Schedule 11(a)(viii), such Seller and its Property are in compliance with all applicable statutes, laws, ordinances, rules and regulations of any governmental authority or instrumentality, domestic or foreign (other than Environmental Laws, which are dealt with separately in Section 11(a)(x) hereof), except where noncompliance would not be material.

(ix) Permits. To the knowledge of such Seller, all material governmental licenses, permits or authorizations of such Seller (other than those relating to environmental matters, which are dealt with separately in Section 11(a)(x) hereof) (the "Permits") are in full force and effect and are validly held by such Seller, and such Seller is in compliance in all material respects with such Permits. Except as set forth on Schedule 11(a)(ix), such Permits will not be subject to suspension, modification or revocation solely as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby. To the knowledge of such Seller, it has all of the Permits (other than those referred to above) which are required to carry on the business of such Seller as such business is now conducted. Except as set forth on Schedule 11(a)(ix), such Seller has received no written notice of any violation of any Permit, and, to the knowledge of such Seller, no proceeding is pending or threatened in writing to revoke or limit any Permit.

(x) Environmental.

(1) Except as set forth in Schedule 11(a)(x) hereto, to the knowledge of such Seller:

(A) No Environmental Claims have been asserted in writing against such Seller nor has such Seller received written notice of any threatened or pending Environmental Claim against such Seller.

(B) Such Seller has delivered (or will make available prior to the Closing) to Purchaser true and complete copies of all environmental reports, studies, investigations or correspondence with governmental agencies or third party claimants regarding any Environmental Liabilities of such Seller or any environmental conditions at any of the Properties, which are in possession of such Seller.

(2) "Environmental Claim" refers to any complaint, summons, citation, written notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter or other written communication from any governmental agency, department, bureau, office or other authority, or any third party involving violations of Environmental Laws or Releases of Hazardous Materials from (A) any assets, properties or businesses of such Seller or any predecessor in interest (including the Property); (B) from adjoining properties or businesses; or (C) from or onto any facilities which received Hazardous Materials generated by such Seller or any predecessor in interest.

(3) "Environmental Laws" includes the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq., as amended; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901 et seq., as amended; the Clean Air Act ("CAA"), 42 U.S.C. 7401 et seq., as amended; the Clean Water Act ("CWA"), 33 U.S.C. 1251 et seq., as amended; the Occupational Safety and Health Act ("OSHA"), 29 U.S.C. 655 et seq., and any other federal, state, local or municipal laws, statutes, regulations, rules or ordinances imposing liability or establishing standards of conduct for protection of the environment; each as in effect as of the Closing Date.

(4) "Environmental Liabilities" means any monetary obligations, losses, liabilities, damages, costs and expenses (including all reasonable out-of-pocket fees, disbursements and expenses of counsel, out-of-pocket expert and consulting fees and out-of-pocket costs for required environmental site assessments, remedial investigation and feasibility studies), fines, penalties, and sanctions incurred as a result of any Environmental Claim filed by any governmental authority or any third party which relate to any violations of Environmental Laws, Remedial Actions, Releases or threatened Releases of Hazardous Materials from or onto (A) any property owned or operated by such Seller or a predecessor in interest, including the Property, or (B) any facility which received Hazardous Materials generated by such Seller or a predecessor in interest.

(5) "Hazardous Materials" shall include (A) any element, compound, or chemical that is defined, listed or otherwise classified as a contaminants, pollutant, toxic pollutant, toxic or hazardous substances, extremely hazardous substance, hazardous waste, medical waste, biohazardous or infectious waste, special waste, or solid waste under Environmental Laws; (B) petroleum, petroleum-based or petroleum-derived products (except for de minimis discharges of petroleum-related products, such as gasoline, by vehicles of business invitees); (C) polychlorinated biphenyls; (D) any substance exhibiting a hazardous waste characteristic including but not limited to corrosivity, ignitability, toxicity or reactivity as well as any radioactive or explosive materials; and (E) any

asbestos-containing materials.

(6) "Release" means any spilling, leaking, pumping, emitting, emptying, discharging, injecting, escaping, leaching or migrating of Hazardous Materials (including the abandonment of barrels, containers or other closed receptacles containing Hazardous Materials) into the environment.

(7) "Remedial Action" means all actions to (A) clean up, remove, remediate, contain, treat, monitor, assess, evaluate or in any other way address Hazardous Materials in the indoor or outdoor environment; (B) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; (C) perform pre-remedial studies and investigations and post-remedial operation and maintenance activities; or (D) any other actions defined as "remedial action" under 42 U.S.C. 9601(24).

(xi) Leases. Schedule 11(a)(xi)-(A) is a true, correct and complete list of all of tenants at the Properties indicating the suite number and square footage occupied by such tenants with respect to such Seller's Property as of October 1, 2003. Such Seller has delivered to or made available for inspection by Purchaser, true and complete copies of all Leases set forth on Schedule 11(a)(xi)-(A) hereto. Except as set forth on Schedule 11(a)(xi)-(A), no rent payable under such Leases has been paid more than 30 days in advance. Except as set forth on Schedule 11(a)(xi)-(B), within the last thirty (30) days prior to the date hereof, such Seller has not either received or delivered any written notices from or to any of the tenants under such Leases asserting that either such Seller or any such tenants are in default in any material respects in respect of non-monetary provisions under any of the respective Leases, and to such Seller's knowledge, no party is in default of any of its material obligations under any of such Leases. Except as set forth on Schedule 11(a)(xi)-(A), no party under any Lease has any right of first refusal, right of first offer, purchase option or other similar right or options in connection with all or any portion of any Property (other than the LL Bean ROFR). There are no Tenant Inducement Costs with respect to the Leases of such Seller's Property which have not been paid in full except as set forth on Schedule 11(a)(xi)-(C). Attached as Schedule 11(a)(xi)-(D) is a true and correct rent roll with respect to the Leases at such Seller's Property. Except as set forth on Schedule 11(a)(xi)-(E), there are no pending Rent Audits as of the date hereof.

(xii) Contracts. Schedule 11(a)(xii) hereto is a true, correct and complete list of all of the Contracts that will be binding upon or in effect with respect to such Seller's Property as of the date immediately following the Closing (unless any such Contract expires in accordance with its terms and is not renewed or a new Contract is entered into in accordance with Section 8(d) hereof) and such Contracts will have not been amended, supplemented or otherwise modified except as set forth on such Schedule. Such Seller has delivered to or made available for inspection by Purchaser true and complete copies of all Contracts, which are in writing, set forth on Schedule 11(a)(xii). To such Seller's knowledge, no party is in default of any of its material obligations under any such Contracts.

(xiii) Security Deposits. Schedule 11(a)(xiii) hereto is a true, correct and complete list of the security deposits held by such Seller under the Leases in effect with respect to its Property as of the date hereof, and specifies which security deposits are in the form of a letter of credit.

(xiv) Tenant Arrearages. Except as set forth on Schedule 11(a)(xiv), all rent due and payable under the Leases of space at such Seller's Property as of the date hereof has been paid in full.

(xv) Litigation. Except for the matters set forth on Schedule 11(a)(xv), there is no action, suit, litigation, hearing or administrative proceeding pending or, to such Seller's knowledge, threatened in writing against such Seller or against its Property.

(xvi) Condemnation. There are no condemnation or eminent domain proceedings pending or, to such Seller's knowledge, threatened in writing against such Seller's Property.

(xvii) Collective Bargaining Agreement. There is no collective bargaining agreement or any other employment agreement to which such Seller is a party and relating to its Property.

(xviii) Employees. There are no employees of such Seller.

(xix) Brokerage Agreements. Schedule 11(a)(xix) hereto sets forth a true, correct and complete list of all brokerage agreements relating to the Leases in effect with respect to such Seller's Property, and such brokerage agreements have not been amended, supplemented or otherwise modified except as set forth on such Schedule and contain the entire agreement between such Seller and the broker named therein. Such Seller has delivered to Purchaser true, correct and complete copies of all such brokerage agreements listed in Schedule 11(a)(xix) (the "Brokerage Agreements"). All brokerage commissions payable under the Brokerage Agreements with respect to the Leases which are due and payable on or prior to the Closing Date, have been paid or have been caused to be paid by such Seller or will be paid or will be caused to be paid by such Seller on or prior

to the Closing Date, and Purchaser shall have no obligations with respect thereto. Any brokerage commissions which may become due and payable pursuant to the Brokerage Agreements after the Closing Date by reason of the exercise after the date hereof of any renewal option, extension option, expansion option, lease of additional space, right of first offer, right of first refusal or similar right or option or the lapse or waiver of any right of cancellation, shall be the obligation of Purchaser to pay as provided in Section 6 hereof and Purchaser hereby agrees to assume all such obligations; provided that all other obligations under the Brokerage Agreements, including obligations known as of the Closing but not payable until after the Closing, shall not be assumed by Purchaser and shall remain the obligation of such Seller.

(xx) GMAC Look-Back Representation. Such Seller hereby represents and warrants to Purchaser that Purchaser shall not incur any loss or liability under any Recourse Liability Provision set forth in any Loan Document on account of any action taken by any Seller (or any agent duly authorized to act on behalf of any Seller, including, without limitation, the Existing Manager) to the extent that any such action was taken prior to the Closing. The term "Recourse Liability Provision" shall mean Section 15.3 in each of the documents listed on Schedule 4(a)-I hereto. The representation and warranty set forth in this Section 11(a)(xx) shall be deemed the "GMAC Look-back Representation".

(xxi) GMAC Loan. Schedule 4(a) hereto sets forth a true, correct and complete list of all of the Loan Documents, and the Loan Documents have not been amended, modified or otherwise supplemented except as set forth on Schedule 4(a) and contain the entire agreement between such Seller and Lender. Such Seller has delivered to or made available for inspection by Purchaser a true, correct and complete copy of the Loan Documents. Based solely on information received from Lender, the outstanding principal balance of the Existing Financing, and the balance of all escrows held in connection with the Existing Financing, in each case as of September 30, 2003, are set forth on Schedule 11(a)(xxi). All interest and other amounts due and payable under the Loan Documents have been paid in full, and to such Seller's knowledge, no default exists under the Loan Documents.

(xxii) Ground Lease. The Ground Lease has not been amended, supplemented or otherwise modified except as set forth in the definition thereof and contains the entire agreement between the parties thereto for the leasing of the property demised thereunder. A true and complete copy of the Ground Lease has been delivered by Sellers to, or made available for inspection by, Purchaser. All rents and other amounts due and payable under the Ground Lease have been paid in full, and neither the ground lessee, nor to such Seller's knowledge the ground lessor, is in default of any of its material obligations under the Ground Lease.

(xxiii) Personal Property. Schedule 11(a)(xxiii) contains a list of all of the motor vehicles owned by such Seller. Such Seller owns any personal property located at its Property free and clear of any lien, pledge, charge, security interest, encumbrance, adverse claim or restriction and such personal property is all of the personal property used and required in the operation of the Property of such Seller in the manner currently operated.

(xxiv) Westbrook II Contract. Seller has delivered to, or made available for inspection by Purchaser, a true and complete copy of the Purchase and Sale Agreement, dated as of March 25, 2002, by and between R.R. Westbrook II, LLC, as seller, and Westbrook Flat Rock LLC, as purchaser, as the same was amended by letter agreements dated August 15, 2002, August 19, 2002, August 20, 2002, October 31, 2002, December 9, 2002, February 12, 2003, May 27, 2003 and June 10, 2003 (collectively, the "Westbrook II Contract") and the Westbrook II Contract has not been further amended, supplemented or otherwise modified. The Westbrook II Contract is in full force and effect and neither the Seller, nor to such Seller's knowledge the purchaser thereunder, is in default of any of its material obligations under the Westbrook II Contract.

(xxv) Trademarks. Schedule 11(a)(xxv) sets forth (A) all of the trademarks, tradenames, service marks, brand names, corporate names, domain names and logos owned, held or possessed by Sellers or the Existing Manager and used in connection with the ownership or operation of the Properties (the "Trademarks") and (B) all internet domain names (the "Websites") owned, held or possessed by Sellers or the Existing Manager and used in connection with the ownership or operation of the Properties. Sellers (or Existing Manager) are the owners of the Trademarks, and to the best of Sellers' Knowledge, the Trademarks are free and clear of any claim or conflict with or infringement or violation of the intellectual property rights of others and all Liens. The Trademarks are duly registered or filed with the applicable Governmental Authorities.

(xxvi) TIF Agreement. Sellers have delivered to Purchaser a true and complete copy of that certain Amended and Restated Private Redevelopment Contract Pursuant to Tuscola, Illinois Redevelopment Project Area Tax Increment Plan, dated November 22, 1999, and any and all amendments, modifications, supplements or assignments in connection thereto (as so amended, modified, supplemented or assigned, the "TIF Agreement"). The TIF Agreement is in full force and effect and has not been further amended or modified. All amounts due and payable to the property owner have been paid and neither the applicable Seller, nor to such Seller's Knowledge the other parties thereto, are in default of any of their respective obligations under the TIF Agreement. Such Seller has not received any

notices challenging or contesting any payments to the property owner under the TIF Agreement and to the best of such Seller's knowledge there are no threatened claims or proceedings contesting the payments under the TIF Agreement. Such Seller has delivered to Purchaser a true and complete copy of that certain Purchase and Sale Agreement dated as of June 3, 1993, by and between Tuscola Mills Development Limited Partnership (together with its successors and assigns, "Mills") and Rothschild Realty, Inc., as amended by that certain First Amendment to Purchase Agreement, dated February 9, 1994 (as so amended, the "Mills Agreement"), and the Mills Agreement has not been further amended, supplemented or otherwise modified. All payments due and payable to Mills pursuant to the Mills Agreement as it relates to the TIF Agreement have been paid in full by such Seller.

(xxvii) ERISA. Either (a) such Seller is not, and is not acting on behalf of, an employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA or Section 4975 of the Internal Revenue Code or (b) no non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code will result from the consummation of the transactions contemplated by this Agreement.

(xxviii) Property. The Property being conveyed by such Seller pursuant to this Agreement comprises all Property owned by such Seller.

(b) Any and all uses of the phrase, "to the best of Seller's knowledge" or other references to Seller's knowledge in this Agreement shall be limited to the actual, present, conscious knowledge of John McGurk, Richard Lewis and Scott Peters (collectively, the "Seller Knowledge Individuals") as to a fact at the time given without any investigation or inquiry. Without limiting the foregoing, Purchaser acknowledges that the Seller Knowledge Individuals have not performed and are not obligated to perform any investigation or review of any files or other information in the possession of Sellers, or to make any inquiry of any persons, or to take any other actions in connection with the representations and warranties of any Seller set forth in this Agreement. Neither the actual, present, conscious knowledge of any other individual or entity, nor the constructive knowledge of the Seller Knowledge Individuals or of any other individual or entity, shall be imputed to the Seller Knowledge Individuals.

(c) The representations and warranties of each Seller contained in this Section 11 shall survive the Closing for 365 days following the Closing Date (the "Limitation Period").

(d) The representations and warranties of each Seller set forth in this Section 11 are subject to the following limitations: (i) each Seller does not represent or warrant that any particular Lease or Contract will be in force or effect as of the Closing or that the tenants or contractors thereunder, as applicable, will not be in default thereunder and (ii) except as set forth in this Section 11, Sellers are not representing or warranting as to the status of the Permitted Encumbrances, it being acknowledged and agreed that any and all obligations that Sellers may have with respect to Permitted Encumbrances (or the clearance of any Update Objections) shall be limited solely to the obligations set forth in Section 5 hereof.

(e) The provisions of Section 10 shall be deemed incorporated by reference and made a part of all Closing Documents.

(f) Notwithstanding anything to the contrary contained in this Agreement, Sellers shall have no liability for any Losses due to a breach of any covenant (including indemnities), representation or warranty of Sellers contained herein or in any document executed by Sellers pursuant to this Agreement, including any instruments delivered at Closing (a "Closing Document"), unless and until the aggregate of all such Losses exceeds Seven Hundred Fifty Thousand Dollars ($750,000) (the "Threshold"); provided, however, that, in no event will Sellers' aggregate liability for any such Losses exceed Fifteen Million Dollars ($15,000,000) in the aggregate (the "Cap"). Following the Closing, Purchaser's sole remedy on account of any Losses described above, shall be to make a claim under Section 13 and Section 38 hereof (a "Claim"), until the amount on deposit in the Holdback equals Zero Dollars ($0.00).

(g) The Threshold shall not serve as a limitation on the liability of Sellers on account of Losses incurred due to the breach of any of the obligations of the Seller under the following:

(i) Section 6. Apportionments;

(ii) Section 14. Risk of Loss;

(iii) Section 15. Brokers and Advisors;

(iv) Section 16. Tax Reduction Proceedings;

(v) Section 17. Transfer Taxes; and

(vi) the GMAC Look-Back Representation.

(h) At the Closing, each Seller shall deliver an instrument (the "Representation

Update") advising Purchaser in what respects such Seller's representations and warranties in Section 11(a) are inaccurate as of the Closing Date. Nothing in this Section 11(h) shall limit or negate Purchaser's rights under Section 9(c)(i) with respect to any inaccurate representations or warranties, and the fact that a Seller has delivered a Representation Update shall not make accurate a representation or warranty that was inaccurate.

12. REPRESENTATIONS OF PURCHASER.

Purchaser hereby represents and warrants to Sellers as of the date hereof and as of Closing that:

(a) Organization. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Authorization and Enforceability. Purchaser has the requisite company power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. All company acts and other proceedings required to be taken by Purchaser to authorize the execution and delivery of this Agreement, and performance of the transactions contemplated hereby, by Purchaser have been duly and properly taken. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditor's rights generally and except for equitable remedies.

(c) No Violations of Laws or Agreements.

(i) The execution, delivery and performance by Purchaser of this Agreement and the consummation by Purchaser of the transactions contemplated hereby will not (A) violate in any material respect any provision of law or any rule or regulation to which Purchaser is subject (it being understood that the necessity for filings and consents is dealt with separately in the subparagraph (ii) below), (B) conflict with or violate any order, judgment, injunction, award or decree binding upon Purchaser, (C) conflict with or violate the Certificate of Formation, Limited Liability Company Agreement or other similar governing documents of Purchaser, (D) constitute a default or give rise to a right of termination, cancellation or acceleration of any right or obligation of Purchaser under any provision of any agreement, contract or other instrument binding upon any of Purchaser, or (E) result in the creation or imposition of any Lien upon any of the assets of Purchaser.

(ii) Except for the consent of Lender to the assignment and assumption of the Existing Financing, the consent by the Ground Lessor to the assignment and assumption of the Ground Lease and the waiver by L.L. Bean Inc. of the LL Bean ROFR with respect to the applicable transactions contemplated hereby, the execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby do not require any consent from, or filing with, any governmental or regulatory authority, except for any action, consent or filing that Sellers or Purchaser (or its affiliates) are required to obtain or make including any filings required under applicable securities law.

(d) ERISA. Either Purchaser is not acquiring the Assets with the assets of an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code or, if such plan assets will be used to acquire the Assets, no non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code would result from the consummation of the transactions contemplated by this Agreement.

(e) Existing Financing. In connection with the assumption of the Existing Financing, Purchaser acknowledges and agrees that the Loan Documents prohibit (i) any secondary financing secured either in whole or in part by any Property or any interest therein and (ii) any mezzanine financing, collateral or equity pledge, all as more particularly set forth in the Loan Documents. In connection with the transactions contemplated hereby, Purchaser shall not incur any indebtedness for borrowed money (whether secured or unsecured) which shall be in violation of the prohibitions against same set forth in the Loan Documents.

(f) Survival. The representations and warranties of Purchaser contained in this Section 12 shall survive the Closing for 365 days.

(g) Notwithstanding anything to the contrary contained in this Agreement (but subject to Section 21(a) hereof), Purchaser shall have no liability for any Losses of Sellers due to a breach of any covenant (including indemnities), representation or warranty of Purchaser contained herein or in any Closing Document executed by Purchaser, unless and until the aggregate of all such Losses exceeds the Threshold; provided, however, that, subject to Section 21(a) hereof, in no event will Purchaser's aggregate liability for any such Losses exceed the Cap.

13. INDEMNIFICATION, LIMITATIONS AND PROCEDURES.

(a) Indemnification by Seller. Subject to Sections 11(f) hereof, from and after

the Closing, Sellers shall indemnify and defend Purchaser and its affiliates and their respective officers, partners, members, employees and directors (the "Purchaser Indemnified Parties") against, and hold them harmless from, any losses, liabilities, claims, damages, amounts paid in settlement of suits, actions, claims or proceedings, judgments and expenses (including reasonable legal fees and expenses, but not consequential damages of any type) ("Losses") suffered or incurred by any of the Purchaser Indemnified Parties, as a direct consequence of any breach of any representation or warranty of any Seller made under Section 11 of this Agreement or any Closing Document or any breach in any material respect of any covenant of Sellers made under this Agreement or any Closing Document hereof; provided, however, that, in the case of either subclause (i) or (ii) above, such breach was not disclosed to, or otherwise known by, Purchaser prior to or at Closing.

(b) Indemnification by Purchaser. From and after the Closing, Purchaser shall indemnify and defend Sellers and its affiliates and their respective officers, partners, members, employees and directors (the "Seller Indemnified Parties") against, and hold them harmless from, any Losses suffered or incurred by any of the Seller Indemnified Parties as a direct consequence of any breach of any representation or warranty of Purchaser made under Section 12 of this Agreement or any Closing Document hereof and any breach in any material respect of any covenant of Purchaser made under this Agreement or any Closing Document hereof; provided, however, that, in the case of either subclause (i) or (ii) above, such breach was not disclosed to, or otherwise known by, Sellers prior to or at Closing.

(c) Indemnification Limitations and Treatment of Proceeds.

(i) Purchaser and Sellers each acknowledge and agree that, from and after the Closing, its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this Section 13, which shall be subject, in all events, to the terms and provisions of Sections 11 and 12.

(ii) Amounts paid in respect of indemnification obligations of the parties pursuant to this Section 13 shall be treated as an adjustment to Purchase Price; provided, however, that amounts paid in respect to a matter relating to a particular Property shall be applied to the portion of the Purchase Price allocated to such Property and all other amounts shall be applied, pro rata, among all the Properties.

(d) Procedures Relating to Indemnification.

(i) A party seeking indemnification pursuant to Section 13(a) or 13(b) (an "Indemnified Party") shall give prompt notice to the party from whom such indemnification is sought (the "Indemnifying Party") of the assertion of any claim or assessment, and shall notify the Indemnifying Party of the commencement of any action, suit, audit or proceeding by a third party in respect of which indemnity may be sought hereunder (a "Third Party Claim") within 30 days of such party receiving written notice of such commencement. The Indemnified Party will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request. Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, within five business days after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. The Indemnifying Party shall have the right, exercisable by written notice to the Indemnified Party within 15 days following receipt of notice from the Indemnified Party of the commencement of or assertion of any Third Party Claim, to assume the defense of such Third Party Claim, using counsel selected by the Indemnifying Party (and reasonably satisfactory to the Indemnified Party). Should the Indemnifying Party so elect to assume the defense of a Third Party Claim, the Indemnifying Party will not be liable to the Indemnified Party for legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof unless the defense of such claim by counsel to the Indemnifying Party presents such counsel with a conflict of interest (other than in respect of the indemnity obligation of the Indemnifying Party). Regardless of whether the Indemnifying Party elects to assume the defense of any such Third Party Claim, except as set forth in Section 13(d)(iii) below, neither the Indemnified Party nor the Indemnifying Party shall admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the other party's prior written consent.

(ii) The Indemnifying Party or the Indemnified Party, as the case may be, shall in any event have the right to participate, at its own expense, in the defense of any Third Party Claim which the other is defending.

(iii) The Indemnifying Party, if it shall have assumed the defense of any Third Party Claim, shall have the right to consent to the entry of judgment with respect to, or otherwise settle such Third Party Claim; provided, however, (i) there is no finding or admission of any violation of any judgment, ruling, order, writ, award, decree, statute, law, ordinance, code, rule or regulation or any court or foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority, (ii) in the case of an entry of a judgment, such judgment is concurrently satisfied in full by the Indemnifying Party and (iii) in the case of a settlement, all obligations

under such settlement agreement are satisfied in full by the Indemnifying Party and the Indemnified Party receives a full general unconditional release by the maker of such Third Party Claim. Otherwise, such settlement only may be made with the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(iv) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, all the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnifying Party to, and reasonable retention by the Indemnified Party of, records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnifying Party shall reimburse the Indemnified Party for all its reasonable out-of-pocket expenses in connection therewith.

(v) The Indemnifying Party shall deliver to the Indemnified Party in cash the amount of any Loss to which the Indemnified Party may become entitled by reason of the provisions of this Section 13, such delivery to be made within ten (10) days after (A) such Losses are finally agreed to by the Indemnified Party and the Indemnifying Party or (B) such Losses are determined by the final unappealable judgment of a court of competent jurisdiction.

14. RISK OF LOSS.

(a) Sellers and Purchaser intend that the provisions of this Section 14 supersede any laws applicable to any Property governing the effect of fire, any other casualty, damage, destruction, eminent domain, takings or condemnation in contracts of sale for real property (including, without limitation, Section 5-1311 of the General Obligations Law of the State of New York).

(b) In the event that any Property is damaged or destroyed by fire or other casualty (a "Casualty") after the date hereof, the obligations of the parties hereunder shall not be affected in any way except as set forth in this Section 14. In such event, Purchaser shall acquire the Property affected by such event, as provided in this Agreement and without any abatement of or reduction in Purchase Price, and at the Closing, Sellers shall pay over to Purchaser all the proceeds of any insurance or other monies actually collected in connection with such Casualty and Purchaser shall receive a credit from the cash due at Closing for the amount of the deductible on such casualty insurance policy yet to be paid by Sellers, less the amount of all reasonable costs incurred by the applicable Seller in connection with the repair of all damage or destruction resulting from such Casualty, and
Sellers shall assign (or cause to be assigned) to Purchaser all right, title and interest in and to any uncollected insurance proceeds and other claims in respect of such Casualty, in each case with respect to the preceding clauses (i) and (ii), subject to the terms and conditions set forth in the Loan Documents. Notwithstanding anything to the contrary contained herein, provided that the Closing occurs as contemplated hereby, as between Sellers and Purchaser, at Closing, Purchaser shall have the sole right to the benefit of any and all insurance proceeds and other claims in respect of any Casualty occurring on any Property between the date hereof and the Closing, either directly or pursuant to its acquisition of the Property on which such Casualty occurred.

(c) If, prior to the Closing Date, all or any portion of any Property is taken by eminent domain or condemnation (or is the subject of a pending taking which has not been consummated) (a "Condemnation"), Sellers shall notify Purchaser of such fact promptly after Sellers obtain actual knowledge of such fact, and the obligations of the parties hereunder shall not be affected in any way except as set forth in this Section 14. In such event, Purchaser shall acquire the Property affected by such event, as provided in this Agreement and without any abatement of or reduction in Purchase Price, and at the Closing, (i) Sellers shall pay (or cause to be paid) over to Purchaser all awards and other proceeds for such Condemnation actually collected, less the amount of all costs incurred by the applicable Seller in connection with any such proceeding, and Sellers shall assign to Purchaser all right, title and interest in and to any uncollected awards and other proceeds for such Condemnation, in each case with respect to the preceding clauses (i) and (ii), subject to the terms and conditions set forth in the Loan Documents. Notwithstanding anything to the contrary contained herein, provided that the Closing occurs as contemplated hereby, at Closing, as between Sellers and Purchaser, Purchaser shall have the sole right to the benefit of any and all awards and other proceeds in respect of any such Condemnation occurring on any Property between the date hereof and the Closing, either directly or pursuant to its acquisition of the Property on which such Condemnation occurred.

(d) Notwithstanding the provisions of this Section 14 to the contrary, if one or more Casualties and/or Condemnations occur during the time between the date hereof and the Closing Date and (i) the cost to repair or restore the Properties affected by such Casualties or Condemnations or (ii) the decline in the fair market value of the Properties affected by such Casualties or Condemnations due to such Casualties or Condemnations is in either case more than $25,000,000,

then such event shall be deemed to be an "Unexpected Loss Event". Upon the occurrence of an Unexpected Loss Event, Purchaser shall have the option to terminate this Agreement upon written notice to Sellers and the Escrow Agent delivered within 20 Business Days after receipt of notice of the Casualty or Condemnation and, upon receipt of such notice, the Escrow Agent shall return the Deposit to Purchaser, and thereupon this Agreement shall terminate and be of no further force or effect and the parties hereto shall be released from further performance of this Agreement except for the obligations specified to survive termination.

15. BROKERS AND ADVISORS.

(a) Purchaser represents and warrants to Sellers that it has not dealt or negotiated with, or engaged on its own behalf or for its benefit, any broker, finder, consultant, advisor, or professional in the capacity of a broker or finder (each a "Broker") in connection with this Agreement or the transactions contemplated hereby other than Deutsche Bank Securities Inc. ("Seller's Broker"). Purchaser hereby agrees to indemnify, defend and hold Sellers harmless from and against any and all claims, demands, causes of action, losses, costs and expenses (including reasonable attorneys' fees, court costs and disbursements) arising from any claim for commission, fees or other compensation or reimbursement for expenses made by any Broker (other than Seller's Broker) engaged by or claiming to have dealt with Purchaser in connection with this Agreement or the transactions contemplated hereby.

(b) Each Seller represents and warrants to Purchaser that it has not dealt or negotiated with, or engaged on its own behalf or for its benefit, any Broker in connection with this Agreement or the transactions contemplated hereby other than Seller's Broker. Each Seller hereby agrees to indemnify, defend and hold Purchaser and its direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents, contractors and any successors or assigns of the foregoing, harmless from and against any and all claims, demands, causes of action, losses, costs and expenses (including reasonable attorneys' fees, court costs and disbursements) arising from any claim for commission, fees or other compensation or reimbursement for expenses made by any Broker (including Seller's Broker) engaged by or claiming to have dealt with such Seller in connection with this Agreement or the transactions contemplated hereby. Sellers agree to pay Seller's Broker any and all commissions and compensation payable to Seller's Broker in connection with the transactions contemplated by this Agreement.

(c) The provisions of this Section 15 shall survive the termination of this Agreement or the Closing.

16. TAX REDUCTION PROCEEDINGS.

Schedule 16 attached hereto and made a part hereof sets forth the tax certiorari proceedings or tax protest proceedings (a "Tax Certiorari Proceeding") currently pending with respect to each Property. Each Seller may file and/or prosecute an application for the reduction of the assessed valuation of the Property owned by such Seller, or any portion thereof, for real estate taxes or a refund of Property Taxes previously paid for the fiscal year in which the Closing Date occurs (the "Current Tax Year"). Each Seller shall have the right to withdraw, settle or otherwise compromise Tax Certiorari Proceedings affecting real estate taxes assessed against any Property (i) for any fiscal period prior to the Current Tax Year without the prior consent of Purchaser and (ii) for the Current Tax Year provided Purchaser shall have consented with respect thereto, which consent shall not be unreasonably withheld, conditioned or delayed. The amount of any tax refunds (net of attorneys' fees and other costs of obtaining such tax refunds) with respect to any portion of any Property for the Current Tax Year shall be apportioned between Sellers and Purchaser as of the Apportionment Date with an allocation of the portion thereof which must be returned to tenants pursuant to the terms of the Leases; Sellers hereby agreeing to be responsible for the return of such refund to such tenants for the period up to and including the Apportionment Date and Purchaser having such obligation for the return of such refunds attributable to the period from and after the Closing Date. If, in lieu of a tax refund, a tax credit is received with respect to any portion of any Property for the Current Tax Year, then (A) within thirty (30) days after receipt by Sellers or Purchaser, as the case may be, of evidence of the actual amount of such tax credit (net of attorneys' fees and other costs of obtaining such tax credit), the tax credit apportionment shall be readjusted between Sellers and Purchaser, and (B) upon realization by Purchaser of a tax savings on account of such credit, Purchaser shall pay to Sellers an amount equal to the savings realized (as apportioned). All refunds, credits or other benefits applicable to any fiscal period prior to the Current Tax Year shall belong solely to Sellers (and Purchaser shall have no interest therein) and, if the same shall be paid to Purchaser or anyone acting on behalf of Purchaser, same shall be paid to Sellers within thirty (30) days following receipt thereof and, if not timely paid, with interest thereon from the 30th day following such receipt until paid to Sellers at a rate equal to the Default Rate. All refunds, credits or other benefits applicable to any fiscal period after the Current Tax Year shall belong solely to Purchaser (and Seller shall have no interest therein) and, if the same shall be paid to Sellers or anyone acting on behalf of Sellers, same shall be paid to Purchaser within thirty (30) days following receipt thereof and, if not timely paid, with interest thereon

from the 30th day following such receipt until paid to Purchaser at a rate equal to the Default Rate. The provisions of this Section 16 shall survive the Closing.

17. TRANSFER TAXES; TRANSACTION COSTS.

(a) At the Closing, Sellers and Purchaser shall execute, acknowledge, deliver and file, all such returns as may be necessary to comply with any applicable city, county or state conveyance tax laws (collectively, as the same may be amended from time to time, the "Transfer Tax Laws"). The transfer taxes payable pursuant to the Transfer Tax Laws shall collectively be referred to as the "Transfer Taxes". At the Closing, Sellers shall pay the Transfer Taxes payable under the Transfer Tax Laws, if any, in connection with the consummation of the transactions contemplated by this Agreement and any and all charges and expenses on account of such Transfer Taxes shall be allocated to Sellers.

(b) Each Seller shall be responsible for (i) the costs of its legal counsel, advisors and other professionals employed by it in connection with the sale of the Properties and the other transactions contemplated hereby, (ii) any recording fees relating to its obligations to remove Update Objections, (iii) subject to Section 17(c)(iii), all assumption fees, review fees and other amounts charged by Lender (including, without limitation, reimbursements for the fees, costs and expenses of Lender's attorneys and the cost of any rating agency confirmations) in connection with the transactions contemplated hereby, and (iv) any recording fees for documentations to be recorded in connection with the transactions contemplated by this Agreement; provided, however, that Sellers shall not be obligated to pay Lender any assumption fees in excess of the assumption fee, if any, expressly set forth in the Loan Documents.

(c) Except as otherwise provided above, Purchaser shall be responsible for (i) the costs and expenses associated with its due diligence, (ii) the costs and expenses of its legal counsel, advisors, agents and other professionals employed or engaged by it in connection with the acquisition of the Properties, the assumption (or defeasance of) the Existing Financing and the other transactions contemplated hereby, all premiums and fees for title examination and title insurance and endorsements obtained and all related charges and survey costs in connection therewith and all title costs incurred due to or in connection with requests made by Lender as a condition to its delivery of the Loan Assignment and Assumption Document, (iv) all costs, fees and expenses incurred in connection with (A) a Defeasance of the Existing Financing and (B) any new financing obtained by Purchaser, including without limitation, loan fees, mortgage recording taxes, financing costs and lender's legal fees, and (v) all escrow fees.

(d) The provisions of this Section 17 shall survive the Closing.

18. DELIVERIES TO BE MADE ON THE CLOSING DATE.

(a) Seller's Documents and Deliveries. On the Closing Date, each Seller shall deliver or cause to be delivered to Purchaser the following:

(i) copies of its Certificates of Incorporation or Certification of Formation, as applicable, including all amendments thereto, certified by the Secretary of State of its jurisdiction of incorporation or formation;

(ii) certificates from the Secretary of State of its jurisdictions of incorporation, formation or existence, as applicable, to the effect that it is in good standing in such jurisdiction and listing all of its charter documents on file in such state, dated within thirty (30) days prior to the Closing Date (or such later date as may be reasonably acceptable to Purchaser and the Title Company if the Closing has been adjourned);

(iii) a certificate from the Secretary of State or other appropriate official in each state in which such Seller is qualified to do business to the effect that such Seller is in good standing in such state; in each case, dated within thirty (30) days prior to the Closing Date (or such later date as may be reasonably acceptable to Purchaser and the Title Company if the Closing has been adjourned);

(iv) incumbency certificates with respect to each of the persons signing this Agreement and any other document or certificate in connection herewith on behalf of such Seller and evidence reasonably satisfactory to Purchaser of such Seller's authority to execute and deliver this Agreement and the Closing Documents;

(v) a duly executed and acknowledged deed (or local equivalent), in the form of Exhibit 18(a)(v), containing such additional items or modifications as are required under the laws of the applicable jurisdiction to render such instrument in form acceptable for recording, effective to convey fee simple interest in the Property owned by such Seller;

(vi) a duly executed Bill of Sale in the form of Exhibit 18(a)(vi);

(vii) originals of all letters of credit held by each Seller as security under the Leases, but only to the extent the same have not been applied in accordance

with the Leases or returned to tenants (in each case to the extent permitted hereunder) and relate to tenants occupying space in such Seller's Property on the Closing Date pursuant to Leases then in effect (the "Transferred L/C Security Deposits") and, thereafter, such Seller shall reasonably cooperate with Purchaser after Closing to obtain the proper assignment of any such letter of credit following Closing, and at Purchaser's written direction after Closing, such Seller agrees to draw down on any such letter of credit in accordance with the provisions of the applicable Lease, provided, however, that Purchaser agrees to indemnify and save Sellers harmless from and against all claims, demands, causes of action, losses, costs (including without limitation, court costs and reasonable attorneys' fees), liabilities and damages with respect to an unauthorized draw on any such letter of credit;

(viii) a duly executed certification as to such Seller's nonforeign status as prescribed in Section 22 in the form of Exhibit 22;

(ix) its Representation Update;

(x) keys to its Property;

(xi) Asset-Related Property described in clause (vi) of Section 2(a) hereof;

(xii) original counterparts of all Leases, Contracts (other than the Terminated Contracts), the Westbrook II Contract, licenses and permits, GMAC Loan Documents, and the Ground Lease to the extent in such Seller's or the Existing Manager's actual possession (or can be reasonably obtained by such Seller or the Existing Manager);

(xiii) a standard seller's affidavit to the Title Company with respect to such Seller's Property in the form of Exhibit 18(a)(xiii);

(xiv) a determination letter from the Illinois Department of Revenue ("IL Department") pursuant to Chapter 35, Section 5/902(d) of the Illinois Income Tax Act, 35 ILCS 5/101 and (the "IL Act"), with respect to each Seller owning any Property in the State of Illinois to the effect that such Seller has no assessed, but unpaid, amount of tax, penalties or interest due under the IL Act ("Clearance Letter"), or showing the amount claimed due by the IL Department in which case Purchaser is authorized to withhold from the Purchase Price the amount of tax, penalties and interest claimed by the IL Department to be assessed but unpaid in accordance with the IL Act, which amount shall be retained in escrow until receipt of a Clearance Letter with respect thereto;

(xv) a Tax Compliance Certificate from the South Carolina Department of Revenue with respect to each Seller owning any Property in the State of South Carolina;

(xvi) evidence reasonably satisfactory to Purchaser of L.L. Bean's waiver of the LL Bean ROFR with respect to the applicable transactions contemplated hereby;

(xvii) possession and occupancy of its Property, subject only to the Permitted Encumbrances; and

(xviii) such additional documents as shall be reasonably required to consummate the transactions contemplated by this Agreement.

(b) Purchaser's Documents and Deliveries. On the Closing Date, Purchaser shall deliver or cause to be delivered to Sellers the following:

(i) payment of the balance of the Purchase Price payable at the Closing as adjusted pursuant to Section 6 hereof, in the manner required under this Agreement; and

(ii) such additional documents as shall be reasonably required to consummate the transactions contemplated by this Agreement.

(c) Jointly Executed Documents: Each Seller and Purchaser shall, on the Closing Date, each execute, acknowledge (as appropriate) and exchange the following documents:

(i) the returns required under the Transfer Tax Laws, if any, and any other tax laws applicable to the transactions contemplated herein;

(ii) an Assignment and Assumption of Leases and Contracts in the form of Exhibit 18(c)(ii) hereof;

(iii) a General Assignment and Assumption Agreement in the form of Exhibit 18(c)(iii);

(iv) [INTENTIONALLY DELETED];

(v) the Loan Assignment and Assumption Document, together with any other documents required by Lender to effectuate the assignment and assumption of the Existing Financing, including all of Sellers' right, title and interest in any cash escrows held by Lender under the Loan Documents;

(vi) the Assignment and Assumption of the Ground Lease in the form of Exhibit

18(c)(vi);

(vii) any other affidavit, document or instrument required to be delivered by Sellers or Purchaser or reasonably requested by the Title Company, pursuant to the terms of this Agreement or applicable law in order to effectuate the transfer of beneficial ownership to each of the Property, together with the legal ownership of each Property;

(viii) letters to all tenants under all of the Leases at such Seller's Property in the form of Exhibit 18(c)(viii), it being acknowledged and agreed that Purchaser shall be responsible for delivery of same to tenants;

(ix) an Assignment and Assumption of the TIF Agreement in the form of Exhibit 18(c)(ix);

(x) an Assignment and Assumption of the Westbrook II Contract in the form of Exhibit 18(c)(x) hereof; and

(xi) a closing statement consistent with the terms of this Agreement.

19. CLOSING DATE.

Subject to the terms and conditions hereof, the closing (the "Closing") of the purchase and sale of the Assets shall be held at the offices of Seller's attorneys, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, at 10:00 a.m. on October 27, 2003; provided, however, that if the consent of Lender to the assumption by Purchaser of the Existing Financing shall not have been received by such date, then the Closing shall occur on the date that is ten (10) Business Days after such consent has been received, subject in each case to adjournment of the Closing as and when permitted in accordance with the provisions of this Agreement; provided, however, that in the event the consent of Lender to the assumption by Purchaser of the Existing Financing shall not have been received by December 31, 2003, then either Sellers or Purchaser shall have the right to terminate this Agreement on ten (10) Business Days written notice to the other; provided, however, that if the consent of Lender to the assumption by Purchaser of the Existing Financing is received within such ten-Business Day period or Purchaser elects to pursue a Defeasance pursuant to Section 4(c), then such written notice of termination shall be automatically null and void and of no further force and effect. Upon such termination by either Sellers or Purchaser under this Section 19, this Agreement shall terminate and neither party hereto shall have any further rights or obligations hereunder other than those which are expressly provided to survive the termination and the Deposit shall be delivered to Purchaser. October 27, 2003, or such later date to which the Closing shall be adjourned pursuant to the terms of this Section 19 or other express terms of this Agreement is referred to herein as the "Closing Date". All transactions at the Closing shall be deemed to take place simultaneously.

20. NOTICES.

All notices, demands, requests or other communications (collectively, "Notices") required to be given or which may be given hereunder shall be in writing and shall be sent by (a) certified or registered mail, return receipt requested, postage prepaid, or (b) national overnight delivery service, or (c) facsimile transmission (provided that the original shall be simultaneously delivered by national overnight delivery service or personal delivery), or (d) personal delivery, addressed as follows:

(i) If to any Seller:

Rothschild Realty Inc.
1251 6th Avenue
51st Floor
New York, New York 10020
Attention: Mr. John D. McGurk
Fax: (212) 403-3520

with a copy to:

Charter Oak Partners
8000 Towers Crescent Drive
Suite 950
Vienna, Virginia 22182
Attention: Scott Peters
Fax: (703) 905-4439

and

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Attention: Jeffrey A. Lenobel, Esq.
Fax: (212) 593-5955

(ii) If to Purchaser:
c/o Blackstone Real Estate Acquisitions IV L.L.C.
345 Park Avenue
New York, New York 10154
Attention: Jonathan D. Gray
Fax: (212) 583-5573

with a copy to:

Tanger Properties Limited Partnership
3200 Northline Avenue, Suite 360
Greensboro, North Carolina 27408
Attention: Stanley K. Tanger
Fax: (336) 852-2560

and

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Gregory J. Ressa, Esq.
Fax: (212) 455-2502

and

Vernon, Vernon, Wooten, Brown,
Andrews & Garrett, P.A.
522 Lexington Avenue
Burlington, North Carolina 27216
Attention: John H. Vernon, III, Esq.
Fax: (336) 226-3866

Any Notice so sent by certified or registered mail, national overnight delivery service or personal delivery shall be deemed given on the date of receipt or refusal as indicated on the return receipt, or the receipt of the national overnight delivery service or personal delivery service. Any Notice sent by facsimile transmission shall be deemed given when received as confirmed by the telecopier electronic confirmation receipt. A Notice may be given either by a party or by such party's attorney. Sellers or Purchaser may designate, by not less than five (5) Business Days' notice given to the others in accordance with the terms of this Section 20, additional or substituted parties to whom Notices should be sent hereunder.

21. DEFAULT BY PURCHASER OR SELLERS.

(a) If (i) Purchaser shall default in the payment of the Purchase Price or if Purchaser shall default in the performance of any of its other material obligations to be performed on the Closing Date, or Purchaser shall default in the performance of any of its material obligations to be performed prior to the Closing Date and, with respect to any default under this clause (ii) only, such default shall continue for five (5) Business Days after notice to Purchaser, Sellers' sole remedy by reason thereof shall be to terminate this Agreement and, upon such termination, Seller shall be entitled to retain the Deposit as sole and liquidated damages for Purchaser's default hereunder, it being agreed that the damages by reason of Purchaser's default are difficult, if not impossible, to ascertain, and thereafter Purchaser and Sellers shall have no further rights or obligations under this Agreement, except for those that are expressly provided in this Agreement to survive the termination hereof.

(b) If (i) Sellers shall default in any of their material obligations to be performed on the Closing Date or Sellers shall default in the performance of any of their material obligations to be performed prior to the Closing Date and, with respect to any default under this clause (ii) only, such default shall continue for five (5) Business Days after notice to Sellers, Purchaser as its sole remedy by reason thereof (in lieu of prosecuting an action for damages or proceeding with any other legal or equitable course of conduct, the right to bring such actions or proceedings being expressly and voluntarily waived by Purchaser, to the extent legally permissible, following and upon advice of its counsel) shall have the right, subject to the other provisions of this Section 21(b), (A) to seek to obtain specific performance of Sellers' obligations hereunder, provided that any such action to obtain specific performance shall be commenced within 60 days after such default and, if Purchaser prevails thereunder, Sellers shall reimburse Purchaser for all reasonable legal fees, court costs and all other reasonable costs of such action, or (B) to receive a return of the Deposit, it being understood that if Purchaser fails to commence an action to obtain specific performance within 60 days after such default, Purchaser's sole remedy shall be to receive a return of the Deposit. If Purchaser elects to commence an action to obtain specific performance of this Agreement then, as a condition precedent to any suit for such specific performance, Purchaser shall, on or before the Closing Date, time being of the essence, have fully performed all of its material obligations hereunder which are capable of being performed (other than the payment of the Purchase Price, which shall be paid as and when required by the court in the suit for specific performance). Upon such return and delivery, this Agreement shall terminate and neither party hereto shall have any further obligations

hereunder except for those that are expressly provided in this Agreement to survive the termination hereof. Notwithstanding the foregoing, if, solely as the result of any willful and intentional act, or willful and intentional failure to act, by Seller, Purchaser may, within 60 days after such default, so long as Purchaser shall agree in writing to release Sellers from any liability under this Agreement and waive any rights Purchaser may have under this Agreement, at law or in equity to commence an action for specific performance, then, in addition to Purchaser's receiving a refund of the Deposit, Sellers shall reimburse Purchaser for all of Purchaser's actual out-of-pocket costs and expenses incurred solely in connection with the transactions contemplated by this Agreement not in excess of $2,000,000 (the "Expense Reimbursement Amount"); provided, however, that (1) Sellers' obligation to pay the Expense Reimbursement Amount (or any portion thereof) shall be conditioned on the absence of any material default hereunder by Purchaser, and (2) Purchaser provides to Sellers reasonable written documentation of its expenses and reimbursables requested under this Section 21(b). Notwithstanding the foregoing, Purchaser shall have no right to seek specific performance if Sellers shall be prohibited from performing its obligations hereunder by reason of any law, regulation or other legal requirement applicable to Sellers (or any of them) or if Purchaser has elected to terminate this Agreement and obtain the Expense Reimbursement Amount under this Section 21(b).

(c) The provisions of this Section 21 shall survive the termination hereof.

22. FIRPTA COMPLIANCE.

Sellers shall comply with the provisions of the Foreign Investment in Real Property Tax Act, Section 1445 of the Internal Revenue Code of 1986 (as amended, "FIRPTA"). Sellers acknowledge that Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform Purchaser that withholding of tax is not required upon the disposition of a United States real property interest by it, each Seller hereby represents and warrants that it is not a foreign person as that term is defined in the Internal Revenue Code and Income Tax Regulations. On the Closing Date, each Seller shall deliver to Purchaser a certification as to its non-foreign status in the form of Exhibit 22, and shall comply with any temporary or final regulations promulgated with respect thereto and any relevant revenue procedures or other officially published announcements of the Internal Revenue Service of the U.S. Department of the Treasury (the "IRS") in connection therewith.

23. ACCESS TO THE PROPERTY.

(a) Subject to the provisions of Section 23(c) hereof, Purchaser and its agents, employees, consultants, inspectors, appraisers, engineers and contractors (collectively "Purchaser's Representatives") shall have the right, through the Closing Date, from time to time, upon the advance notice required pursuant to Section 23(c), to enter upon and pass through the Properties during normal business hours to examine and inspect the same.

(b) Each Seller shall make available to Purchaser, at the management office at each Property or at the offices of Charter Oak Group, Ltd. ("Existing Manager"), to the extent in any Seller's (or Existing Manager's) possession: plans and specifications; environmental and engineering reports relating to each Property; copies of all Leases and Contracts; and the books and records relating to the applicable Seller and operation of such Property (but excluding any books and records of such Seller such as, without limitation, any records relating to such Seller's selling or financing negotiations or third-party appraisals or any internal documents relating to the value of such Property).

(c) In conducting the inspection of the Properties and its due diligence review, Purchaser shall at all times comply with all laws and regulations of all applicable governmental authorities, and neither Purchaser nor any of Purchaser's Representatives shall (i) contact or have any discussions with any of Sellers' agents, representatives (except for John McGurk, Scott Peters and James Quigley) or employees (whether at a Property or at the offices of Existing Manager) or contractors providing services to any Property, unless, in each case, Purchaser obtains the prior written consent of Sellers, which shall not be unreasonably withheld or delayed, it being agreed that all such contacts or discussions shall, pending any such approval, be directed to Scott Peters ((703) 905-4411) or John McGurk ((212) 403-3510), (ii) interfere with the business of any Seller (or any of its tenants) conducted at the Property or disturb the use or occupancy of any occupant of any Property or (iii) damage any Property (or any portion thereof). In conducting the foregoing inspection, Purchaser and Purchaser's Representatives shall at all times comply with, and shall be subject to, the rights of the tenants under the Leases (and any persons claiming under or through such tenants). Seller may from time to time establish reasonable rules of conduct for Purchaser and Purchaser's Representatives in furtherance of the foregoing. Purchaser shall schedule and coordinate all inspections, including, without limitation, any environmental tests and tenant interviews, with Sellers and shall give Sellers at least two (2) Business Days' prior notice thereof. Sellers shall be entitled to have a representative present at all times during each such inspection and each interview of any tenant. Purchaser agrees to pay to Sellers on demand the cost of repairing and restoring any damage or disturbance which Purchaser or Purchaser's Representatives shall cause to the

Property. All inspection fees, appraisal fees, engineering fees and other costs and expenses of any kind incurred by Purchaser or Purchaser's Representatives relating to such inspection and its other due diligence shall be at the sole expense of Purchaser. In the event that the Closing hereunder shall not occur for any reason whatsoever (other than Sellers' default), Purchaser shall promptly return to Sellers or destroy all copies of all due diligence materials delivered by or on behalf of Sellers to Purchaser. Purchaser and Purchaser's Representatives shall not be permitted to conduct borings of any Property or drilling in or on any Property in connection with the preparation of an environmental audit or in connection with any other inspection of any Property without the prior written consent of Sellers which shall not be unreasonably withheld or delayed (and, if such consent is given, Purchaser shall be obligated to pay to Sellers on demand the cost of repairing and restoring any damage as aforesaid, and, if requested by Sellers, all such reasonably estimated costs in advance). The provisions of Section 23(c) shall survive the Closing or any termination of this Agreement.

(d) Prior to conducting any physical inspection or testing at any Property, other than mere visual examination, including without limitation, boring, drilling and sampling of soil, Purchaser shall obtain, and during the period of such inspection or testing shall maintain, at its expense, comprehensive general liability insurance, including a contractual liability endorsement, and personal injury liability coverage, with Sellers, the Existing Manager, if any, as additional insureds, from an insurer reasonably acceptable to Sellers, which insurance policies must have limits for bodily injury and death of not less than Three Million Dollars ($3,000,000) for any one occurrence and not less than Three Million Dollars ($3,000,000) for property damage liability for any one occurrence. Prior to making any entry upon any Property, Purchaser shall furnish to Sellers a certificate of insurance evidencing the foregoing coverages.

(e) Purchaser agrees to indemnify and hold Sellers and Existing Manager and their respective direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents and contractors, and any successors or assigns of the foregoing (collectively with Seller, "Seller Related Parties") harmless from and against any and all losses, costs, damages, liens, claims, liabilities or expenses (including, but not limited to, reasonable attorneys' fees, court costs and disbursements) incurred by any of Seller's Related Parties arising from or by reason of Purchaser's and/or Purchaser's Representatives' access to, or inspection of, any Property, or any tests, inspections or other due diligence conducted by or on behalf of Purchaser (but not for Losses caused by previously undisclosed conditions). The provisions of Section 23(e) shall survive the Closing or any termination of this Agreement.

24. ENTIRE AGREEMENT; AMENDMENTS.

(a) This Agreement contains all of the terms agreed upon between Sellers and Purchaser with respect to the subject matter hereof, and all prior agreements, understandings, representations and statements, oral or written, between Sellers and Purchaser are merged into this Agreement.

(b) This Agreement may not be changed, modified or terminated, except by an instrument executed by each Seller and Purchaser.

(c) The provisions of this Section 24 shall survive the Closing or the termination hereof.

25. WAIVER.

No waiver by either party of any failure or refusal by the other party to comply with its obligations shall be deemed a waiver of any other or subsequent failure or refusal to so comply. The provisions of this Section 25 shall survive the Closing or the termination hereof.

26. PARTIAL INVALIDITY.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, subject to Section 3(f) hereof, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law. The provisions of this Section 26 shall survive the Closing or the termination hereof.

27. SECTION HEADINGS.

The headings of the various sections of this Agreement have been inserted only for the purposes of convenience, and are not part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement. The provisions of this Section 27 shall survive the Closing or the termination hereof.

28. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of

New York, without giving effect to conflict of laws principles thereof. The provisions of this Section 28 shall survive the Closing or the termination hereof.

29. ASSIGNMENT; NO RECORDING OF CONTRACT.

(a) This Agreement and the various rights and obligations arising hereunder shall inure to the benefit of and be binding upon Sellers and Purchaser and their respective successors and permitted assigns; provided, however, that none of the representations or warranties made by Sellers (or any of them) hereunder shall inure to the benefit of any person or entity that may, after the Closing Date, succeed to Purchaser's interest in Property.

(b) Neither this Agreement nor any of the rights of Purchaser hereunder may be assigned by Purchaser without the prior written consent of Sellers, which consent may be denied for any reason whatsoever or for no reason. Notwithstanding the foregoing, Purchaser may (i) assign this Agreement to one or more wholly-owned and wholly-controlled, single purpose entities created or formed to own and control one or more of the Properties, so long as (A) Purchaser certifies to Sellers that Purchaser will not receive any profit in connection with such assignment, (B) Purchaser provides evidence and a certification confirming the ownership and control of such assignee and (C) at least ten (10) Business Days prior to the Closing Date, Purchaser delivers written notice of such intended assignment, but such assignment shall not be effective unless and until the Closing Date and, at Closing, Purchaser delivers to Sellers an original counterpart of an assignment and an assumption of Purchaser's obligations hereunder executed by Purchaser and such assignee, together with the certifications required above, executed by Purchaser and such assignee or (ii) upon notice to Sellers, designate one or more affiliates of Purchaser to take title to each Property.

(c) Neither this Agreement nor any memorandum hereof may be filed or recorded in any public (or other) official records, including, without limitation, the real estate (or other) records of any jurisdiction in which any Property is located, without first obtaining each Seller's consent thereto; provided, however, that Tanger Factory Outlet Centers, Inc., a North Carolina corporation, and Tanger Properties Limited Partnership, a North Carolina limited partnership, shall have the right to attach this Agreement (or a memorandum hereof) as an exhibit to its Form 10-K filing to the extent such attachment is reasonably deemed to be legally required.

(d) The provisions of Section 29(a) and 29(c) shall survive the Closing or the termination hereof. The provisions of Section 29(b) shall survive the termination hereof.

30. CONFIDENTIALITY AND PRESS RELEASES.

(a) Purchaser agrees that the Confidentiality Agreement, dated as of May 11, 2003, by and between RFR Holding LLC and Rothschild Realty, Inc., as supplemented and amended by that certain agreement, dated as of September 11, 2003, and executed by Blackstone Real Estate Acquisitions IV L.L.C. and acknowledged by Rothschild Realty, Inc. (as supplemented and amended, the "Confidentiality Agreement"), as the same have extended prior to the date hereof, remains in full and effect in accordance with its terms, provided, the terms of such Confidentiality Agreement shall not survive the Closing.

(b) Upon the full execution of this Agreement by the parties hereto, Purchaser and Sellers shall issue a press release jointly prepared, agreed to and approved by Purchaser and Sellers disclosing the purchase and sale of Properties contemplated under this Agreement. Except as provided in this Section 30(b), prior to the Closing, neither Purchaser nor any Seller shall issue any press releases (or other public statements) with respect to the transaction contemplated in this Agreement without approval of the other parties hereto, which approval may be withheld in such parties sole and absolute discretion. Notwithstanding anything to the contrary contained herein or in the Confidentiality Agreement, Sellers, Purchaser and their respective affiliates shall not be prohibited from holding an investor conference in connection with the transactions contemplated by this Agreement or disclosing to any person or any entity any information to the extent necessary to comply with applicable federal or state securities laws or any required filings with any federal or state governmental or regulatory agency or with any national securities exchange.

(c) The provisions of Section 30(a) shall survive the termination of this Agreement and the provisions of Section 30(b) shall survive the termination hereof or the Closing.

31. FURTHER ASSURANCES.

(a) Sellers and Purchaser will do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, assignments, notices, transfers and assurances as may be reasonably required by the other party, for the better assuring, conveying, assigning, transferring and confirming unto Purchaser the Property and for carrying out the intentions or facilitating the consummation of this Agreement. Purchaser and Sellers shall reasonably cooperate with the Title

Company in connection with obtaining title insurance insuring title to each Property subject only to the relevant Permitted Encumbrances. The provisions of this Section 31 shall survive the Closing.

(b) Sellers shall cooperate (at no cost to Sellers and at Purchaser's sole cost and expense) with Purchaser to provide Purchaser access to such factual information concerning the operation of the Properties as may be reasonably requested by Purchasers, and in the possession or control of Sellers, or its property manager or accountants, to enable Tanger Factory Outlet Centers, Inc., a North Carolina corporation, to file its Form 8-K, if, as and when such filing may be required by the Securities and Exchange Commission as a result of the transactions contemplated by this Agreement. At no cost to Sellers and at Purchaser's sole cost and expense, Sellers shall allow Purchaser's auditor to conduct an audit of the income statements of the Properties for the year of Closing (to the date of Closing) and the two (2) prior years, and shall cooperate (at no cost to Seller and at Purchaser's sole cost and expense) with Purchaser's auditor in the conduct of such audit and in connection with such audit deliver to Buyer's auditor a customary representation letter in a form acceptable to Sellers and such auditor. Such auditor's letter shall in no way be deemed an expansion of any rights of Purchaser or obligations of any Seller under this Agreement, and such auditor's letter shall confer no third-party beneficiary rights to any party. The obligations of Sellers under this subsection shall survive the Closing.

32. NO THIRD PARTY BENEFICIARIES.

This Agreement is an agreement solely for the benefit of Sellers and Purchaser (and their permitted successors and/or assigns). No other person, party or entity shall have any rights hereunder nor shall any other person, party or entity be entitled to rely upon the terms, covenants and provisions contained herein. The provisions of this Section 32 shall survive the Closing or the termination hereof.

33. JURISDICTION AND SERVICE OF PROCESS.

The parties hereto agree to submit to personal jurisdiction in the State of New York in any action or proceeding arising out of this Agreement and, in furtherance of such agreement, the parties hereby agree and consent that without limiting other methods of obtaining jurisdiction, personal jurisdiction over the parties in any such action or proceeding may be obtained within or without the jurisdiction of any court located in New York and that any process or notice of motion or other application to any such court in connection with any such action or proceeding may be served upon the parties by registered or certified mail to or by personal service at the last known address of the parties, whether such address be within or without the jurisdiction of any such court. The provisions of this Section 33 shall survive the Closing or the termination hereof.

34. WAIVER OF TRIAL BY JURY.

Sellers and Purchaser hereby irrevocably and unconditionally waive any and all right to trial by jury in any action, suit or counterclaim arising in connection with, out of or otherwise relating to this agreement. The provisions of this Section 34 shall survive the closing or the termination hereof.

35. MISCELLANEOUS.

(a) This Agreement may be executed in multiple counterparts and by facsimile, each of which shall be deemed an original and together constitute one and the same instrument.

(b) Any consent or approval to be given hereunder (whether by Sellers or Purchaser) shall not be effective unless the same shall be given in advance of the taking of the action for which consent or approval is requested and shall be in writing. Except as otherwise expressly provided herein, any consent or approval requested of Sellers or Purchaser may be withheld by Sellers or Purchaser in its sole and absolute discretion.

(c) Purchaser and Sellers hereby acknowledge that (i) Purchaser and Sellers jointly and equally participated in the drafting of this Agreement and all other agreements contemplated hereby, (ii) both Purchaser and Sellers have been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby, and (iii) no presumption shall be made that any provision of this Agreement shall be construed against either party by reason of such role in the drafting of this Agreement and any other agreement contemplated hereby.

(d) Unless otherwise expressly provided herein, any and all payments required to be made under this Agreement shall be made by wire transfer of immediately available federal funds for the credit of the party to whom such payment is required to be made, which wire transfer shall be made in accordance with instructions to be provided by party to whom such payment is required to be made. If wire instructions have not been provided to the party obligated to make such payment, such party shall request such wire instructions by providing

notice to the party entitled to receive such funds.

(e) Notwithstanding anything to the contrary contained in this Agreement, the liability and obligations of Sellers shall be joint and several in all respects.

(f) During the term of this Agreement, neither Sellers nor their affiliates shall solicit, authorize the solicitation of, or enter into any agreement or discussions with any third party concerning any offer or possible offer for a third party to acquire, finance, refinance the Assets or any interest therein (whether debt or equity, directly or indirectly) or with respect to any similar transaction.

(g) The provisions of this Section 35 shall survive the Closing or the termination hereof.

36. ATTORNEYS' FEES.

In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees and disbursements, incurred herein by the successful party in and as part of the judgment rendered in such litigation, whether at trial, on appeal and any petition for review, in addition to all other sums provided by applicable law.

37. ESCROW PROVISIONS.

(a) Upon receipt by Escrow Agent of the Deposit, Escrow Agent shall cause the same to be deposited into an interest bearing account selected by Escrow Agent, it being agreed that Escrow Agent shall not be liable for any loss of such investment (unless due to Escrow Agent's gross negligence or willful misconduct) or any failure to attain a favorable rate of return on such investment. Escrow Agent shall deliver the Deposit to Seller or to Purchaser, as the case may be, under the following conditions:

(i) The Deposit shall be delivered to Sellers at the Closing upon receipt by Escrow Agent of a statement executed by Sellers and Purchaser that the Deposit may be released; or

(ii) The Deposit shall be delivered to Sellers following receipt by Escrow Agent of written demand therefor from Sellers stating that Purchaser has defaulted in the performance of its obligations under this Agreement, if Purchaser shall not have given written notice of objection in accordance with the provisions set forth below; or

(iii) The Deposit shall be delivered to Purchaser following receipt by Escrow Agent of written demand therefor from Purchaser stating that Sellers have defaulted in the performance of their obligations under this Agreement or that this Agreement was terminated under circumstances entitling Purchaser to the return of the Deposit, and specifying the Section of this Agreement which entitles Purchaser to the return of the Deposit or if Sellers shall not have given written notice of objection in accordance with the provisions set forth below; or

(iv) The Deposit shall be delivered to Purchaser or Sellers as directed by joint written instructions of each Seller and Purchaser; or

(v) The Deposit shall be delivered to Purchaser upon a termination of this Agreement by either Purchaser or Seller pursuant to the terms of Section 19; or

(vi) The Deposit shall be delivered to Purchaser following receipt by Escrow Agent of a Title Default Termination Notice; or (vii) The Deposit shall be delivered to Purchaser upon a termination of this Agreement by Purchaser pursuant to Section 14(d).

(b) Upon the filing of a written demand for the Deposit by Sellers or Purchaser, pursuant to Section 37(a)(ii), Section 37(a)(iii) or Section 37(a)(vi), Escrow Agent shall promptly give notice thereof (including a copy of such demand) to the other party. The other party shall have the right to object to the delivery of the Deposit, by giving written notice of such objection to Escrow Agent at any time within ten (10) days after such party's receipt of notice from Escrow Agent, but not thereafter. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of such notice of objection, Escrow Agent shall promptly give a copy of such notice to the party who filed the written demand. If Escrow Agent shall have timely received such notice of objection, Escrow Agent shall continue to hold the Deposit until (i) Escrow Agent receives written notice from Sellers and Purchaser directing the disbursement of the Deposit, in which case Escrow Agent shall then disburse the Deposit in accordance with said direction, or (ii) litigation is commenced between Sellers and Purchaser, in which case Escrow Agent shall deposit the Deposit with the clerk of the court in which said litigation is pending, or (iii) Escrow Agent takes such affirmative steps as Escrow Agent may elect, at Escrow Agent's option, in order to terminate Escrow Agent's duties hereunder, including but not limited to depositing the Deposit in court and commencing an action for interpleader, the costs thereof to be borne by whichever of Sellers

or Purchaser is the losing party.

(c) Escrow Agent may rely and act upon any instrument or other writing reasonably believed by Escrow Agent to be genuine and purporting to be signed and presented by any person or persons purporting to have authority to act on behalf of Sellers or Purchaser, as the case may be, and shall not be liable in connection with the performance of any duties imposed upon Escrow Agent by the provisions of this Agreement, except for Escrow Agent's own gross negligence, willful misconduct or default. Escrow Agent shall have no duties or responsibilities except those set forth herein. Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by Purchaser and each Seller, and, if Escrow Agent's duties hereunder are affected, unless Escrow Agent shall have given prior written consent thereto. Escrow Agent shall be reimbursed by Sellers and Purchaser for any expenses (including reasonable legal fees and disbursements of outside counsel), including all of Escrow Agent's fees and expenses with respect to any interpleader action incurred in connection with this Agreement, and such liability shall be joint and several; provided that, as between Purchaser and Sellers, the prevailing party in any dispute over the Deposit shall be entitled to reimbursement of any such expenses paid to Escrow Agent. In the event that Escrow Agent shall be uncertain as to Escrow Agent's duties or rights hereunder, or shall receive instructions from Purchaser or Seller that, in Escrow Agent's opinion, are in conflict with any of the provisions hereof, Escrow Agent shall be entitled to hold and apply the Deposit and may decline to take any other action. After delivery of the Deposit in accordance herewith, Escrow Agent shall have no further liability or obligation of any kind whatsoever.

(d) Escrow Agent shall have the right at any time to resign upon ten (10) Business Days prior notice to Sellers and Purchaser. Sellers and Purchaser shall jointly select a successor Escrow Agent and shall notify Escrow Agent of the name and address of such successor Escrow Agent within ten (10) Business Days after receipt of notice of Escrow Agent of its intent to resign. If Escrow Agent has not received notice of the name and address of such successor Escrow Agent within such period, Escrow Agent shall have the right to select on behalf of Sellers and Purchaser a bank or trust company to act as successor Escrow Agent hereunder. At any time after the ten (10) Business Day period, Escrow Agent shall have the right to deliver the Deposit to any successor Escrow Agent selected hereunder, provided such successor Escrow Agent shall execute and deliver to Sellers and Purchaser an assumption agreement whereby it assumes all of Escrow Agent's obligations hereunder. Upon the delivery of all such amounts and such assumption agreement, the successor Escrow Agent shall become the Escrow Agent for all purposes hereunder and shall have all of the rights and obligations of the Escrow Agent hereunder, and the resigning Escrow Agent shall have no further responsibilities or obligations hereunder.

(e) The party receiving such interest shall pay any income taxes thereon; provided, however, that, if Sellers receives the interest on the Deposit as a credit against the Purchase Price to Purchaser, then Purchaser shall pay any income taxes on such interest received by Sellers. The taxpayer identification numbers of each Seller is set forth on Exhibit 37(e) hereto, and Purchaser's taxpayer identification number is 20-0273336.

(f) The provisions of this Section 37 shall survive the Closing or termination of this Agreement.

38. HOLDBACK. Sellers shall deliver to the Title Company (in such capacity, the "Holdback Escrow Agent") at Closing, out of the Purchase Price, an amount equal to $15,000,000 (as the same may be reduced in accordance with Section 38(b)(i) below, the "Holdback"), which shall be held in escrow by the Holdback Escrow Agent in accordance with the terms and conditions set forth below.

(a) The Holdback Escrow Agent shall invest the Holdback in an account with a federally insured financial institution at the direction of Sellers (the "Holdback Account"). The Holdback Account shall be maintained for the period commencing on the Closing Date and expiring on the date which is the first anniversary of the Closing (the "Holdback Return Date"). All interest and other income earned on the Holdback Account shall be paid to Sellers by the Holdback Escrow Agent on the first day of each calendar month without any direction or authorization of any party. In no event shall any such interest or income be included as part of the Holdback.

(b) The Holdback, or a portion thereof, as applicable, shall be the property of Sellers and shall be paid over to either Purchaser or Sellers, as applicable, in accordance with the following provisions:

(i) On the date that is one hundred eighty (180) days after the Closing Date (the "Burn-off Date"), the amount of the Holdback shall be reduced to Seven Million Five Hundred Thousand Dollars ($7,500,000.00), so long as Purchaser has not provided the Sellers and the Holdback Escrow Agent with notice of a Claim prior to the Burn-off Date. If Purchaser has provided Sellers and the Holdback Escrow Agent with notice of a Claim prior to the Burn-off Date, then Holdback Escrow Agent shall pay to Sellers on the Burn-off Date from the Holdback Account the amount, if any, by which the amount on deposit in the Holdback Account exceeds the sum of (A) the aggregate amount of all such Claims made by Purchaser prior to the Burn-off Date which has not been resolved and (B) Seven Million

Five Hundred Thousand Dollars ($7,500,000.00);

(ii) On the date that is the first anniversary of the Closing Date, the entire amount then on deposit in the Holdback Account shall be paid to Sellers so long as Purchaser has not provided the Holdback Escrow Agent with notice of a Claim prior to the Holdback Return Date. If Purchaser has provided Sellers and the Holdback Escrow Agent with notice of a Claim prior to the Holdback Return Date, then Holdback Escrow Agent shall pay to Sellers on the Holdback Return Date from the Holdback Account the amount, if any, by which the amount on deposit in the Holdback Account exceeds the aggregate amount of all such Claims made by Purchaser prior to the Holdback Return Date;

(iii) After all Claims made by Purchaser prior to the Holdback Return Date have been fully resolved (either by final, nonappealable court order or by written agreement of Sellers and Purchaser), the balance of the Holdback (after payment of amounts due under subclause (ii) above), shall be paid to Sellers; and

(iv) To Sellers and/or Purchaser, as directed by a written instrument executed by each Seller and Purchaser.

(c) Purchaser shall notify Sellers and the Holdback Escrow Agent at such time that Purchaser is making a Claim. Such notice shall be sent simultaneously to said parties and must include specific details concerning the Claim, including the basis for and amount of such Claim.

(d) Except with respect to the payment of interest on the Holdback to Sellers pursuant to Section 38(a) hereof, prior to paying all or any portion of the Holdback to any party (the "Holdback Claiming Party") pursuant to the provisions of this Section 38, the Holdback Escrow Agent shall deliver written notice to the other party (the "Holdback Non-Claiming Party") stating its intention to pay all or any portion of the Holdback to the Holdback Claiming Party. The Holdback Non-Claiming Party shall have a period of ten (10) days in which to deliver notice to Holdback Escrow Agent agreeing to payment from the Holdback Account to the Holdback Claiming Party or disagreeing with such payment. If the Holdback Non-Claiming Party agrees that the Holdback (or a portion) shall be paid to the Holdback Claiming Party, then the Holdback Escrow Agent shall so pay the Holdback to the Holdback Claiming Party. If the Holdback Non-Claiming Party disagrees with such payment, then the Holdback Escrow Agent shall not make such payment and shall continue to hold the Holdback and shall not make any disposition of the Holdback except as provided in Section 38(f) hereof. The failure of the Holdback Non-Claiming Party to deliver a notice within the ten (10) day period shall be deemed delivery of a notice on the last day of such ten (10) day period agreeing to payment of the Holdback to the Holdback Claiming Party.

(e) It is agreed that the duties of the Holdback Escrow Agent are only as herein specifically provided, and are purely ministerial in nature, and that the Holdback Escrow Agent shall incur no liability whatever except for willful misconduct or gross negligence, as long as the Holdback Escrow Agent has acted in good faith. Each Seller and Purchaser release the Holdback Escrow Agent from any act done or omitted to be done by the Holdback Escrow Agent in good faith in the performance of its duties hereunder.

(f) The Holdback Escrow Agent is acting as a stakeholder only with respect to the Holdback. If there is any dispute as to whether the Holdback Escrow Agent is obligated to deliver the Holdback or to whom said Holdback is to be delivered, the Holdback Escrow Agent shall not make any delivery, but in such event the Holdback Escrow Agent shall hold same until receipt by the Holdback Escrow Agent of an authorization in writing, signed by all the parties having interest in such dispute, directing the disposition of same, or in the absence of such authorization the Holdback Escrow Agent shall hold the Holdback until the final determination of the rights of the parties in an appropriate proceeding by final, nonappealable court order. If such written authorization is not given, the Holdback Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Holdback in a court having jurisdiction over this matter pending such determination. The Holdback Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding including, without limitation, reasonable attorneys' fees and disbursements, by the party hereto determined not to be entitled to the Holdback. Upon making delivery of the Holdback in the manner herein provided, the Holdback Escrow Agent shall have no further liability hereunder.

(g) The Holdback Escrow Agent has executed this Agreement in order to confirm that upon delivery of the Holdback to the Holdback Escrow Agent, the Holdback Escrow Agent will hold the Holdback in escrow, pursuant to the provisions hereof.

(h) Except as provided in Section 38(f) above, Sellers and Purchaser shall each pay one-half (1/2) of any and all costs and expenses incurred by the Holdback Escrow Agent as a result of this transaction; provided, however, that if a Claim is made, the non-prevailing party in any legal proceeding or arbitration proceeding in connection with such Claim shall pay all costs and expenses incurred by the Holdback Escrow Agent.

(i) The provisions of this Section 38 shall survive the Closing.

39. STATE SPECIFIC PROVISIONS.

(a) Delaware. The provisions under this Agreement as they relate to the assignment and assumption of the Existing Financing shall not be deemed to be the provision of financing by any of the Sellers for purposes of applicable state laws on seller financing.

(b) Oregon Statutory Notice: The following statement is made pursuant to Or. Rev. Stat. Section 93.040 with respect to the Property located in the State of Oregon: THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR EXISTING STRUCTURES.

[No Further Text on this Page; Signature Page Follows]

IN WITNESS WHEREOF, Sellers and Purchaser have caused this Agreement to be executed the day and year first above written.

GLENWOOD INDUSTRIAL PARK II LLC,
R.R. BAYSIDE, INC.,
R.R. FOLEY, INC.,
R.R. HILTON HEAD, INC.,
R.R. HILTON HEAD II, INC.,
R.R. KINGSBURG, INC.,
R.R. LACONIA, INC.,
R.R. LINCOLN CITY, INC.,
R.R. MYRTLE BEACH, INC.,
R.R. PARK CITY, INC.,
R.R. REHOBOTH, INC.,
R.R. SEASIDE, INC.,
R.R. TUSCOLA, INC.,
R.R. WESTBROOK, INC.,
R.R. WESTBROOK II, LLC, and
WALNUT HILL HOLDINGS II LLC

By:
Name: John D. McGurk
Title: President

COROC HOLDINGS L.L.C.

By: BROC Portfolio L.L.C.,
a Delaware limited liability company

By:
Name: Jonathan D. Gray
Title: Senior Managing Director

By: TANGER COROC, LLC,
a North Carolina limited liability company

By: Tanger Devco LLC,
a North Carolina limited liability company

its member

By:
Name:
Title:

[SIGNATURE PAGE CONTINUED]

Executed solely for the purpose of accepting the escrow on the terms and conditions set forth in Section 37 of the above and foregoing Agreement.

ESCROW AGENT:

FIDELITY NATIONAL TITLE INSURANCE COMPANY OF NEW YORK

By:
Name:
Title:

Executed solely for the purpose of accepting the holdback escrow on the terms and conditions set forth in Section 38 of the above and foregoing Agreement.

HOLDBACK ESCROW AGENT:

FIDELITY NATIONAL TITLE INSURANCE COMPANY OF NEW YORK

By:
Name:
Title:

EXHIBIT 10.1

COROC HOLDINGS L.L.C.

LIMITED LIABILITY COMPANY AGREEMENT

Dated as of October 3, 2003

TABLE OF CONTENTS

COROC HOLDINGS L.L.C.

LIMITED LIABILITY COMPANY AGREEMENT, dated as of October 3, 2003, by and between BROC Portfolio L.L.C., a Delaware limited liability company and Tanger COROC, LLC, a North Carolina limited liability company.

Preliminary Statement

A. COROC Holdings L.L.C. (the "Company") was formed as a limited liability company pursuant to the Act (as defined below).

B. The parties hereto now desire to establish their respective rights and obligations as members of the Company.

Agreement

Accordingly, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

"Acquisition Closing Date" means the date the Company closes on the acquisition of the Portfolio under the Property Purchase Agreement.

"Acquisition Costs" means any and all third-party costs, expenses and fees, incurred by any Member, its Affiliates, and the Company and in each case approved by the Members in connection with (i) the due diligence for the Portfolio and the Members' investment in the Company, (ii) the formation of the Company and the preparation, review, negotiation, and entering into of this Agreement and the other organizational and authorization documents for the Company (including all Organizational Expenses) and the negotiation of the Property Purchase Agreement, (iii) the payment of the purchase price and other closing costs required to acquire the Portfolio, (iv) the assumption of the Existing Loan, including assumption fees and expenses and reserves required by the Existing Lender, and (v) reserves as determined by the Members as approved pursuant to a Member Consent. Acquisition Costs shall also include the Acquisition Fee and the Advisory Fee.

"Acquisition Fee" means a fee in the amount of $7,000,000 payable to Blackstone Real Estate Acquisitions IV L.L.C. and its designees on the Acquisition Closing Date.

"Act" means the Delaware Limited Liability Company Act, 6 Del. C.ss.ss.18-101, et seq., as it may be amended from time to time, and any successor to such statute.

"Additional Capital Contribution" means all Capital Contributions made by the Members after the Initial Capital Contributions.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments: (i) crediting to such Capital Account any amounts that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Regulations sections 1.704-1(b)(2)(ii)(b)(3), 1.704-1(b)(2)(ii)(c), 1.704-2(g), and 1.704-2(i)(5), and (ii) debiting to such Capital Account the items described in Regulations section 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

"Advisory Fee" means a fee in the amount of $4,000,000 payable to Compass Advisors on the Acquisition Closing Date.

"Affiliate" with respect to any Person means any other Person who controls, is controlled by or is under common control with such Person. As used in this definition, "control" (including its correlative meanings, "controlled by" and "under common control with") shall mean the (i) possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) and (ii) ownership, directly or indirectly, of securities representing 50% or more of the value of a corporation or 50% or more of the partnership, membership or other ownership interests (based upon value) of any other Person.

"Agreement" means this Limited Liability Company Agreement, as it may be amended, supplemented, modified or restated from time to time.

"Blackstone Guarantor" means BREP.

"Blackstone Guaranty" means a Guaranty in the form attached to this Agreement as Exhibit E.

"Blackstone Member" means BROC or any Affiliate of BREP who replaces the foregoing as a Member hereunder.

"Blackstone REOC" has the meaning set forth in Section 3.5.

"BROC" means BROC Portfolio L.L.C., a Delaware limited liability company.

"BREP" means collectively, Blackstone Real Estate Partners IV L.P., Blackstone Real Estate Partners IV.F L.P., Blackstone Real Estate Partners IV.TE.1 L.P., Blackstone Real Estate Partners IV.TE.2 L.P., Blackstone Real Estate Partners IV.TE.3 L.P. and Blackstone Real Estate Holdings IV L.P., each a Delaware limited partnership.

"BREP Event" means any one of the following events: (i) a Business Combination occurs in which the holders of the partnership interests of BREP immediately prior to such Business Combination own less than 51% of the aggregate partnership interest of the surviving entity after such Business Combination, (ii) all or substantially all of the assets of BREP or the Blackstone Member are sold or otherwise disposed of, directly or indirectly, voluntarily, involuntarily, by operation of law or otherwise, or (iii) a voluntary or involuntary bankruptcy of the Blackstone Member.

"Business Combination" means a merger, consolidation, recapitalization or other business combination.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York are authorized or required to close under the laws of the State of New York and are actually closed.

"Business Plan" means the annual plan to be adopted by the Company for the renovation, refurbishment, operating, marketing, leasing, refinancing and/or disposition of the Properties, which shall include and incorporate the Operating Budget, as the same may be modified, supplemented or amended pursuant to a Member Consent.

"Capital Account" has the meaning set forth in Section 6.3(a).

"Capital Contribution" means the Initial Capital Contributions and the Additional Capital Contributions.

"Capital Partner" means (i) General Electric Capital Corporation or any Affiliate thereof or (ii) any institutional investor or sophisticated real estate developer or investor which as of the date of any proposed Transfer has a net worth in excess of $50,000,000.

"Capital Proceeds" means (A) the cash or other consideration received by the Company (including interest on installment sales when

received) as a result of (i) any sale, exchange, abandonment, foreclosure, insurance award, condemnation, easement sale or other similar transaction relating to any property of the Company, (ii) any financing or refinancing relating to any property of the Company, and (iii) any other transaction which, in accordance with generally accepted accounting principles, would be treated as a capital event, in each case less (B) any such cash which is applied to (i) the payment of transaction costs and expenses, (ii) the repayment of debt of the Company which is required under the terms of any indebtedness of the Company or which has been authorized by a Member Consent, (iii) the repair, restoration or other improvement of Company Assets which is required under any contractual obligation of the Company or which has been authorized by a Member Consent, and (iv) the establishment of reserves as approved pursuant to a Member Consent. "Capital Proceeds" shall also mean any of the foregoing which are received by a Subsidiary to the extent received by the Company as dividends or distributions.

"Carrying Value" means, with respect to any Company Asset, the asset's adjusted basis for federal income tax purposes, except that the Carrying Values of all Company Assets shall be adjusted to equal their respective fair market values, in accordance with the rules set forth in Regulations Section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, as of: (a) the date of the acquisition of any additional Interest by any new or existing Member in exchange for more than a de minimis Capital Contribution, other than pursuant to the initial formation of the Company; (b) the date of the distribution of more than a de minimis amount of Company Assets to a Member; or (c) the date an Interest is relinquished to the Company; provided, however, that adjustments pursuant to clauses (a), (b) and (c) above shall be made only if such adjustments are deemed necessary or appropriate pursuant to a Member Consent to reflect the relative economic interests of the Members. The Carrying Value of any Company Asset distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value and depreciation shall be calculated by reference to Carrying Value, instead of tax basis once Carrying Value differs from tax basis. The carrying value of any asset contributed (or deemed contributed under Regulations Section 1.704-1(b)(1)(iv)) by a Member to the Company will be the fair market value of the asset at the date of its contribution thereto.

"Certificate" has the meaning set forth in Section 2.1.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. Any reference herein to a particular provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"Company" has the meaning set forth in the Preliminary Statement to this Agreement.

"Company Assets" means all right, title and interest of the Company in and to all or any portion of the assets of the Company and any property (real or personal) or estate acquired in exchange therefor or in connection therewith, including without limitation, the Properties.

"Contributing Member" has the meaning set forth in Section 5.2(c).

"COP" means COP Holdings LLC, a Delaware limited liability company.

"Deemed Liquidation" means a deemed sale by the Company and the Property Entities of all of the Properties for the ROFO Valuation Amount, the payment of all Company liabilities (including any prepayment fees or defeasance costs in connection with any Property Loan), the payment of a brokerage commission equal to .25% of the ROFO Valuation Amount, followed immediately by a distribution by the Company of the resulting Capital Proceeds from such a sale together with all other Company Assets in accordance with Section 5.4(b).

"Default Capital Contribution" has the meaning set forth in Section 5.2(c).

"Deposit" means the escrow deposit required to be made by the Company under the Property Purchase Agreement in the amount of $10,000,000.

"Disposition" has the meaning set forth in Section 9.1(a).

"Disposition Agreement" has the meaning set forth in Section 9.3(a).

"Dissolution Event" means any event which would cause a

dissolution of the Company pursuant to Section 18-801(a)(5) of the Act.

"Down Payment" has the meaning set forth in Section 9.1(b)(ii).

"Election Notice" has the meaning set forth in Section 9.1(b)(ii)

"Excess Amount" has the meaning set forth in Section 10.12(b).

"Existing Borrowers" means collectively, R.R. Hilton Head, Inc., R.R. Park City, Inc., R.R. Lincoln City, Inc., R.R. Foley, Inc., R.R. Laconia, Inc., R.R. Tuscola, Inc., R.R. Bayside, Inc., R.R. Seaside, Inc., R.R. Myrtle Beach, Inc., R.R. Rehoboth, Inc., R.R. Westbrook, Inc. and R.R. Hilton Head II, Inc.

"Existing GMAC Loan" means the mortgage loan made by the Existing Lender to the Existing Borrowers pursuant to that certain Loan Agreement dated as of June 18, 1998 among the Existing Borrowers and the Existing Lender.

"Existing Lender" means GMAC Commercial Mortgage Corporation, a California corporation.

"Fiscal Quarter" means each calendar quarter.

"Fiscal Year" means the calendar year ending on December 31 of each year.

"Governmental Requirements" means, collectively, all applicable laws, statutes, ordinances, regulations with force of law, tariffs, judicial or administrative orders with force of law applicable to any Property, and procedural requirements imposed by any political subdivision with force of law, any agency thereof, any regulated public utility company, or other governmental authority regulating or affecting the acquisition, ownership, development, construction, leasing, or operation of any Property or a Member, as applicable.

"Guarantor" has the meaning set forth in Section 10.12(a).

"Guaranty" has the meaning set forth in Section 10.12(a).

"Indemnified Guarantor" has the meaning set forth in Section 10.12(b).

"Initial Capital Contributions" has the meaning set forth in Section 5.1(a).

"Interest Price" means an amount equal to what Offeror would receive if a Deemed Liquidation occurred on the ROFO Closing Date.

"Interests" means a Member's share of the profits and losses of the Company, a Member's right to receive distributions of Company assets and all other Member's rights or interests in the Company.

"Investment Account" for each Member means an amount initially equal to zero (i) to which is added the amount of all Capital Contributions made by such Member and (ii) from which is subtracted the amount of any distributions received by such Member pursuant to Section 5.4(b)(ii) and 5.4(b)(v).

"Lender" means any holder of the Property Loan, including, without limitation, the Existing Lender.

"Liquidator" has the meaning set forth in Section 7.2.

"Lockout Period" has the meaning set forth in Section 9.1(a).

"LOI Effective Date" means September 15, 2003.

"Loss" has the meaning set forth in Section 10.12(a).

"Manager" shall mean, as of the date hereof, the Tanger Manager, and any subsequent replacement property manager hired by the Company in accordance with the terms of this Agreement.

"Members" means the Blackstone Member and the Tanger Member and any other Person admitted to the Company as an additional or substitute member of the Company in accordance with the provisions of this Agreement, until such time as such Person ceases to be a member of the Company as provided herein.

"Member Consent" means (i) prior to the occurrence of a Minimum Return Failure Event, the approval of a matter by the Blackstone Member and the Tanger Member and (ii) after the occurrence of a Minimum Return Failure Event, the approval of a matter by the

Blackstone Member.

"Member Nonrecourse Debt" shall have the meaning ascribed to the term "Partner Nonrecourse Debt" in Regulations section 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" shall have the meaning ascribed to the term "Partner Nonrecourse Debt Minimum Gain" in Regulations section 1.704-2(i)(2).

"Member Nonrecourse Deductions" means any item of company loss, deduction, or expenditure under section 705(a)(2)(B) of the Code that is attributable to a Member Nonrecourse Debt, as determined pursuant to Regulations section 1.704-2(i)(2).

"Minimum Gain" shall have the meaning set forth in Regulations section 1.704-2(d)(1) and shall mean the amount determined by (i) computing for each nonrecourse liability of the Company any gain the Company would realize if it disposed of the property subject to that liability for no consideration other than full satisfaction of the liability and (ii) aggregating the separately computed gains. If, pursuant to Regulations sections 1.704-1(b)(2)(iv)(d) or 1.704-1(b)(2)(iv)(f), Company Assets are properly reflected on the books of the Company at a book value that differs from the adjusted tax basis of such property, the calculation of Minimum Gain pursuant to the preceding sentence shall be made by reference to such book value. For purposes hereof, a liability of the Company is a nonrecourse liability to the extent that no Member or related Person bears the economic risk of loss for that liability within the meaning of Regulations section 1.752-1.

"Minimum Primary Return" means a per annum return on the Blackstone Member's Investment Account (based on the average daily balance) in the following amounts for the following periods:

Periods	Return
From the Acquisition Closing Date to but not including the third anniversary of the Acquisition Closing Date	6%
From the third anniversary of the Acquisition Closing Date and thereafter	7%

"Minimum Return Due Date" means the first day of each Fiscal Quarter, being January 1, April 1, July 1 and October 1 occurring during the term of this Agreement.

"Minimum Return Failure Event" means if on any Minimum Return Due Date, the Company has insufficient Proceeds to pay and does not pay the Minimum Primary Return to the Blackstone Member accrued through such Minimum Return Due Date.

"Mutual Loss Event" has the meaning set forth in Section 10.12(b).

"Net Income (Loss)" for any Fiscal Year or other period means the taxable income or loss of the Company for such period as determined in accordance with the accounting method used by the Company for federal income tax purposes with the following adjustments: (i) all items of income, gain, loss or deduction allocated pursuant to Section 6.5 (other than the last sentence of Section 6.5(a)) shall not be taken into account in computing such taxable income or loss; (ii) any income of the Company that is exempt from federal income taxation and not otherwise taken into account in computing Net Income (Loss) shall be added to such taxable income or loss; (iii) if the Carrying Value of any asset differs from its adjusted tax basis for federal income tax purposes, any depreciation, amortization or gain resulting from a disposition of such asset shall be calculated with reference to such Carrying Value; (iv) upon an adjustment to the Carrying Value of any asset, pursuant to the definition of Carrying Value, the amount of the adjustment shall be included as gain or loss in computing such taxable income or loss; and (v) except for items in (i) above, any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing Net Income (Loss) pursuant to this definition shall be treated as deductible items.

"Non-Capital Proceeds" means (x) any cash or other consideration received by the Company other than Capital Proceeds less (y) any such cash that is applied to the establishment of reserves established pursuant to a Member Consent and to expenses of the Company, including debt service on the Property Loan. "Non-Capital Proceeds" shall also mean any of the foregoing which are received by a Subsidiary to the extent received by the Company as dividends or distributions.

"Non-Contributing Member" has the meaning set forth in Section 5.2(c).

"Non-Waiving Member" has the meaning set forth in Section 3.3(c).

"Nonrecourse Deductions" shall have the meaning ascribed to such term in Regulations section 1.704-2(b)(1).

"Offeree" has the meaning set forth in Section 9.1(b).

"Offeror" has the meaning set forth in Section 9.1(b).

"Offeror's Interest" has the meaning set forth in Section 9.1(b)(ii).

"Offer Period" has the meaning set forth in Section 9.1(b).

"Operating Budget" means the annual budget, prepared by the Manager, and approved in writing by a Member Consent, and setting forth the estimated capital and operating expenses of the Company and each of the Property Entities for the then-current or immediately succeeding Fiscal year and for each month and each quarter of each such Fiscal Year, in such detail as the Members shall require, as the same may be modified, supplemented or amended pursuant to a Member Consent.

"Organizational Expenses" means all reasonable third-party costs and expenses pertaining to the organization of the Company and the registration, qualification or exemption of the Company under any applicable federal, state or foreign laws, including fees of counsel to the Company and the Members.

"Outside Date" has the meaning set forth in Section 9.3(a).

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001), as the same may be amended from time to time, and corresponding provisions of future laws.

"Patriot Act Compliance Procedure" means the policies, procedures and controls approved and adopted by the Company, as the same may be amended from time to time as authorized by a Member Consent, governing the Company's compliance with the Patriot Act and the regulations promulgated from time to time thereunder, and other Governmental Requirements relating to anti-terrorism and anti-money laundering.

"Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, government (or agencies or political subdivisions thereof) and other associations and entities.

"Portfolio" means those certain retail outlet centers and other properties being acquired by the Company under the Property Purchase Agreement.

"Portfolio Sellers" means collectively, the Existing Borrowers, Glenwood Industrial Park III LLC, R.R. Kingsburg, Inc., R.R. Westbrook II, LLC and Walnut Hill Holdings II LLC.

"Primary Return Account" means for each Member, an account to be maintained by the Company for such Member which account shall be credited (increased) daily throughout the term of this Agreement, by an amount equal to the amount of such Member's Investment Account multiplied by 10% per annum, compounding quarterly. The balance of each Member's Primary Return Account shall be debited (reduced) to the extent such Member receives distributions pursuant to Sections 5.4(a)(i), 5.4(a)(ii), 5.4(b)(i) or 5.4(b)(iii). The Primary Return Account shall be calculated for the actual number of days elapsed on the basis of a 360 day year.

"Proceeds" means the collective reference to Capital Proceeds and Non-Capital Proceeds.

"Property" means the individual reference to one or more retail outlet centers and other properties constituting part of the Portfolio.

"Property Entities" means one or more limited liability companies or other entities which directly own the Properties as of the Acquisition Closing Date and are wholly-owned (directly or indirectly) by the Company.

"Property Loan" means the collective reference to one or more loans made to the Property Entities or the Company or any other Person

owned directly or indirectly by the Company, secured by a mortgage or deed of trust or other collateral on the Properties or the Company's or such other Person's equity interests in the Property Entities, or any portion thereof, and any extension, amendment, increase, restatement and/or refinancing thereof pursuant to the terms of this Agreement, including without limitation, following the assumption thereof by the Property Entities, the Existing GMAC Loan.

"Property Management Agreement" means, as of the date hereof, the Tanger Management Agreement, and any subsequent property management and leasing agreement entered into by the Company in accordance with the terms of this Agreement.

"Property Manager Event of Default" has the meaning set forth in Section 3.1(e).

"Property Purchase Agreement" means that certain Purchase and Sale Agreement dated as of October 3, 2003 by the Company, as purchaser, and the Portfolio Sellers, as sellers, in connection with the sale of the Portfolio, as the same may from time to time be amended, supplemented or otherwise modified.

"Proportionate Liability Amount" has the meaning set forth in Section 10.12(b). "Pursuit Costs" means all Acquisition Costs other than (a) the purchase price for the Portfolio

and (b) the Deposit.

"Recourse Obligations" has the meaning set forth in Section 10.12(a).

"Regulations" means the regulations promulgated under the Code.

"Rejection Notice" has the meaning set forth in Section 9.1(b)(i).

"ROFO" has the meaning set forth in Section 9.1(a).

"ROFO Closing Date" has the meaning set forth in Section 9.2(a).

"ROFO Escrow Agent" has the meaning set forth in Section 9.1(b)(ii).

"ROFO Sale Documents" has the meaning set forth in Section 9.2(a).

"ROFO Sale Period" has the meaning set forth in Section 9.3(a).

"ROFO Valuation Amount" has the meaning set forth in Section 9.1(b).

"Sale Notice" has the meaning set forth in Section 9.1(b).

"Secondary Return Account" means for each Member, an account to be maintained by the Company for such Member which account shall be credited (increased) daily throughout the term of this Agreement, by an amount equal to the amount of such Member's Investment Account multiplied by 12% per annum, compounding quarterly. The balance of each Member's Secondary Return Account shall be debited (reduced) to the extent such Member receives distributions pursuant to Sections 5.4 (a)(i), 5.4(a)(ii), 5.4(b)(i), 5.4(b)(iii), 5.4(b)(iv) or 5.4(b)(vi). The Secondary Return Account shall be calculated for the actual number of days elapsed on the basis of a 360-day year.

"Seller Closing Condition Default" has the meaning set forth in Section 3.3(c).

"Sharing Percentage" means the percentage interest of a Member as set forth on Schedule A hereto, as amended from time to time in accordance herewith.

"Subsidiary" means a limited liability company, partnership or other Person in which the Company is a member, partner or investor or in which the Company otherwise has an interest.

"Tanger Event" means any one of the following events: (i) a Business Combination occurs in which the holders of the outstanding capital stock of the Tanger REIT immediately prior to such Business Combination own less than 51% of the aggregate equity of the surviving entity after such Business Combination or less than 51% of the securities in the surviving entity having the power to elect a majority of the board of directors of the surviving entity, (ii) all or substantially all of the assets of Tanger SPE or the Tanger Member are sold or otherwise disposed of, directly or indirectly, voluntarily, involuntarily, by operation of law or otherwise, or (iii)

a voluntary or involuntary bankruptcy of the Tanger Member.

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

"Tanger Guaranty" means a Guaranty in the form attached to this Agreement as Exhibit F.

"Tanger License Agreement" has the meaning set forth in Section 3.1(h).

"Tanger Management Agreement" has the meaning set forth in Section 3.1(e).

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

"Tanger Member" means Tanger SPE or any Affiliate of Tanger SPE who replaces Tanger SPE as a member hereunder.

"Tanger REIT" means Tanger Factory Outlet Centers, Inc., a North Carolina corporation.

"Tanger SPE" means Tanger COROC, LLC, a North Carolina limited liability company.

"Tax Matters Member" has the meaning set forth in Section 6.2(a).

"Transfer" has the meaning set forth in Section 8.1(a).

"Transferee" shall have the meaning set forth in Section 8.1(b).

"Waiving Member" has the meaning set forth in Section 3.3(c).

SECTION 1.2. Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context requires otherwise, the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The term "hereunder" shall mean this entire Agreement as a whole unless reference to a specific section of this Agreement is made.

ARTICLE II

General Provisions

SECTION 2.1. Formation. The Company was formed on October 1, 2003 by the filing of a Certificate of Formation of the Company in the Office of the Secretary of State of the State of Delaware pursuant to the provisions of the Act. Each Member or its attorney, acting pursuant to a Member Consent, is hereby designated as an authorized Person, within the meaning of the Act, to execute, deliver and file the certificate of formation of the Company and any amendments and/or restatements thereof (collectively, the "Certificate") and any other certificates necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business. The execution by any Member or its attorney, acting pursuant to a Member Consent, of any of the foregoing certificates (and any amendments and/or restatements thereof) shall be sufficient.

SECTION 2.2. Members. Schedule A hereto contains the name, address and Sharing Percentage of each Member as of the date of this Agreement. Schedule A shall be revised from time to time by any Member, acting pursuant to a Member Consent, to reflect the admission or withdrawal of a Member or the transfer or assignment of interests in the Company in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein.

SECTION 2.3. Name. The Company shall conduct its activities under the name of COROC Holdings L.L.C. One or more Members, acting pursuant to a Member Consent, shall have the power at any time to change the name of the Company; provided, that the name shall always contain the words "Limited Liability Company" or the letters "L.L.C." Prompt notice of any such change shall be given to each Member.

SECTION 2.4. Term. The term of the Company commenced on the date of filing the Certificate in accordance with the Act and shall continue in perpetuity, unless sooner dissolved, wound up and terminated in accordance with Article VII.

SECTION 2.5. Purpose; Powers

(a) The purpose of the Company shall be (i) to own, directly or indirectly, a 100% membership or partnership interest in, and act as the managing member or general partner of the Property Entities, (ii) to manage, develop, operate, improve, rent, lease, finance, encumber,

sell, exchange, dispose of or otherwise deal with the Properties and any direct or indirect interest therein, and (iii) to do all things necessary or incidental to any of the foregoing.

(b) In furtherance of its purposes, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, including the following:

(i) to invest and reinvest the cash assets of the Company in money-market or other short-term investments;

(ii) to have and maintain one or more offices within or without the State of Delaware, and, in connection therewith, to rent or acquire office space, engage personnel and compensate them and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(iii) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys;

(iv) to engage employees (with such titles and delegated responsibilities as may be determined), accountants, consultants, auditors, custodians, investment advisers, attorneys and any and all other agents and assistants, both professional and nonprofessional, and to compensate them as may be necessary or advisable;

(v) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, and to form or cause to be formed and to participate in partnerships, limited liability companies and joint ventures, whether foreign or domestic;

(vi) to enter into, make and perform all contracts, agreements and other undertakings as may be necessary or advisable or incident to carrying out its purposes;

(vii) to sue, prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment of claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(viii) to distribute, subject to the terms of this Agreement, at any time and from time to time to Members cash or investments or other property of the Company, or any combination thereof;

(ix) to borrow money, whether secured or unsecured, and to make, issue, accept, endorse and execute promissory notes, drafts, bills of exchange and other instruments and evidences of indebtedness, all without limit as to amount, and to secure the payment thereof by mortgage, pledge, or assignment of, or security interest in, the assets then owned or thereafter acquired by the Company;

(x) to hold, receive, mortgage, pledge, lease, sell, transfer, exchange or otherwise dispose of, grant options with respect to, and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to, all property held or owned by the Company; and

(xi) to take such other actions necessary or incidental thereto as may be permitted under applicable law.

SECTION 2.6. Place of Business. The Company shall maintain a registered office at The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, or such other office within the State of Delaware as directed pursuant to a Member Consent. The Company shall maintain an office and principal place of business at c/o Blackstone Real Estate Acquisitions IV L.L.C., 345 Park Avenue, New York, New York, 10154 or at such other place as may from time to time be determined pursuant to a Member Consent as its principal place of business. The name and address of the Company's registered agent as of the date of this Agreement is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

ARTICLE III

Management and Operation of the Company

SECTION 3.1. Management.

(a) The management, control and operation of the Company and the formulation and execution of business and investment policy shall be vested exclusively in the Members, and the Members shall exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.5, on behalf and in the name of the Company, in accordance with this Agreement.

(b) Any action to be taken by the Company shall require a Member Consent

(except as otherwise expressly provided in this Agreement) before any Member shall have the power to so act for or bind the Company. Except as otherwise provided herein, no Member shall have the right to, and no Member shall, take part in the management or affairs of the Company, nor in any event shall any Member have the power to act or bind the Company in any way unless delegated such power pursuant to a Member Consent.

(c) Except as otherwise provided in this Agreement, a Member shall not be obligated to abstain from approving or disapproving any matter proposed for a Member Consent because of any interest (or conflict of interest) of such Member (or any Affiliate thereof) in such matter.

(d) Each Member agrees that, except as otherwise expressly provided herein and to the fullest extent permitted by applicable law, the approval of any proposed action of or relating to the Company, pursuant to a Member Consent as provided herein shall bind each Member and shall have the same legal effect as the approval of each Member of such action.

(e) Each Member hereby authorizes and directs the Property Entities, pursuant to a Member Consent, to enter into a property management and leasing agreement in connection with the Properties, effective upon the Acquisition Closing Date, with the Tanger Manager in substantially the form attached to this Agreement as Exhibit A, with such changes as may be reasonably requested by any Lender or any Property Entity (the "Tanger Management Agreement"). Subject to the immediately succeeding sentence, the exercise of any consent, approval, waiver or other action by the Company or the Property Entities under the Tanger Management Agreement, including without limitation, an election not to renew or to terminate such agreement, shall require a Member Consent. Upon the occurrence of a " Property Manager Event of Default", the Blackstone Member, acting alone, shall have the right to terminate the Tanger Management Agreement. If the Tanger Management Agreement is terminated by the Blackstone Member by reason of the occurrence of a Property Manager Event of Default, the replacement property manager hired by the Company and the terms of its engagement shall be determined by the Blackstone Member subject to the approval by the Tanger Member, such approval not to be unreasonably withheld. As used herein, "Property Manager Event of Default" means the causes for termination specified in Section 6.1 of the Tanger Management Agreement.

(f) Unless otherwise approved by a Member Consent, the Company shall:

(i) Pay all expenses incurred by the Company and the Property Entities to the extent its revenues are sufficient to do so;

(ii) Operate and maintain the Properties and the Company in accordance with the Operating Budget and the Business Plan;

(iii) Maintain the books and records for the Company and the Property Entities in accordance with this Agreement;

(iv) Operate the business of the Company and the Property Entities in conformity with their respective organizational documents and all material agreements to which such parties are bound;

(v) Cause the Properties to be acquired, developed, redeveloped, renovated and operated, as the case may be, and operated, free of all liens (except the lien of the Property Loan) and in compliance with (or contesting in the manner provided under applicable law) all applicable Governmental Requirements having jurisdiction over each Property, including those relating to zoning, building, fire, subdivision control, and environmental requirements, including the Americans with Disabilities Act of July 26, 1990, Pub. L. No. 101-336, 104 Stat. 327, 42 U.S.C. 12101, et seq., as hereinafter amended, and applicable variances to any of the foregoing;

(vi) Obtain all permits, licenses, approvals, and variances required for the ownership, operation, management, repair, development, redevelopment, renovation, improvement and leasing and use of the Properties in accordance with applicable Governmental Requirements and customary local practices;

(vii) Comply with the insurance requirements under the Property Loan documents; and

(viii) Comply with the Patriot Act and the Patriot Act Compliance Procedures.

(g) Upon the occurrence of a Minimum Return Failure Event (i) the management, control and operation of the Company and the formulation and execution of business and investment policy shall no longer be

vested in collectively the Blackstone Member and the Tanger Member but shall be vested exclusively in the Blackstone Member and the Blackstone Member shall be entitled to, but shall not be obligated, to exercise any and all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.5, on behalf and in the name of the Company, (ii) the Blackstone Member may at its option take any action on behalf of the Company (including without limitation the termination of the Tanger Management Agreement and the Tanger License Agreement as it relates to one or more Properties) and may bind the Company without a Member Consent, including, without limitation, a sale of one or more of the Properties or the Property Entities on terms that the Blackstone Member in its sole discretion deems advisable and (iii) the Tanger Member shall forfeit any rights under Article IX, provided, however, the Blackstone Member shall not have the right to sell any of the Properties or the Property Entities to an Affiliate. A copy of this Agreement and, if applicable, a statement by the Blackstone Member that a Minimum Return Failure Event exists shall be conclusive evidence of the Blackstone Member's right to act on behalf of the Company under this Agreement as against all third parties.

(h) Each Member hereby authorizes and directs the Property Entities, pursuant to a Member Consent, to enter into a license agreement in connection with the Properties, effective upon the Acquisition Closing Date, with the Tanger Guarantor in substantially the form attached to this Agreement as Exhibit B, with such changes as may be reasonably requested by any Lender or any Property Entity (the "Tanger License Agreement"). Pursuant to the Tanger License Agreement, the name of each Property as currently commonly known shall be amended following the Acquisition Closing Date to include a reference to "Tanger". Subject to the immediately succeeding sentence, the exercise of any consent, approval, waiver or other action by the Company or the Property Entities under the Tanger License Agreement, including without limitation, an election not to renew or to terminate such agreement, shall require a Member Consent. Upon the occurrence of a " Property Manager Event of Default", the Blackstone Member, acting alone, shall have the right to terminate the Tanger License Agreement. If the Tanger License Agreement is terminated by the Blackstone Member by reason of the occurrence of a Property Manager Event of Default, the name of each Property, the decision to enter into any future license agreement with any other entity and the terms of its engagement shall be determined by the Blackstone Member subject to the approval by the Tanger Member, such approval not to be unreasonably withheld.

SECTION 3.2. Certain Duties and Obligations of the Members.

(a) Subject to the terms of this Agreement, the Members shall take all action which may be reasonably necessary or appropriate (i) for the formation and continuation of the Company as a limited liability company under the laws of the State of Delaware and (ii) for the development, maintenance, preservation and operation of the business of the Company in accordance with the provisions of this Agreement and applicable laws and regulations. The Members shall take all action which is necessary to form or qualify the Company to conduct the business in which the Company is engaged under the laws of any jurisdiction in which the Company is doing business and to continue in effect such formation or qualification. No Member shall take any action so as to cause the Company to be classified for Federal income tax purposes as an association taxable as a corporation and not as a partnership.

(b) No Member shall take, or cause to be taken, any action that would result in any Members having any personal liability for the obligations of the Company. The Members shall be under a duty as described herein to conduct the affairs of the Company in the best interests of the Company and of the Members including the safekeeping and use of all Company funds and assets and the use thereof for the exclusive benefit of the Company.

(c) Except as provided in Section 10.12, no Member shall be liable, responsible or accountable in damages or otherwise to the Company or to any other Member for (a) any act performed within the scope of the authority conferred on the Members by this Agreement except for the gross negligence or willful misconduct of such Member in carrying out the obligations of such Member hereunder, (b) such Member's failure or refusal to perform any act, except those expressly required by or pursuant to the terms of this Agreement, (c) such Member's performance of, or failure to perform, any act on the reasonable reliance on advice of legal counsel to the Company or (d) the negligence, dishonesty or bad faith of any agent, consultant or broker of the Company selected, engaged or retained in good faith. In any threatened, pending or completed action, suit or proceeding, each Member shall be fully protected and indemnified and held harmless by the Company against all liabilities, obligations, losses, damages,

penalties, actions, judgments, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees, costs of investigation, fines, judgments and amounts paid in settlement, actually incurred by any such Member in connection with such action, suit or proceeding) by virtue of its status as Members or with respect to any action or omission taken or suffered in good faith, other than liabilities and losses resulting from the gross negligence or willful misconduct of the such Member. The indemnification provided by this paragraph shall be recoverable only out of the assets of the Company, and no Member shall have any personal liability on account thereof.

(d) The Tanger Member acknowledges that certain actions to be taken by the Blackstone Member may be authorized by and be in accordance with the terms of this Agreement but, nevertheless, under certain circumstances have the affect of impairing or eliminating the value of the Tanger Member's interest in the Company. Such actions include, without limitation, (i) the sale of all of the Properties or the Company's interest in all of the Property Entities after the expiration of the Lock-Out Period or upon a Tanger Event subject to providing the Tanger Member its ROFO pursuant to Article IX or (ii) the sale of one or more of the Properties after a Minimum Return Failure Event as more particularly described in Section 3.1(g). The Tanger Member acknowledges that the Blackstone Member has no obligation (whether arising at law or in equity) to refrain from taking any such actions and the Blackstone Member shall not be liable, responsible or accountable in damages or otherwise to the Tanger Member as a result of any such actions being taken by the Blackstone Member.

SECTION 3.3. Decisions Prior to Closing.

(a) On the date hereof, the Company shall execute and deliver the Property Purchase Agreement with the Portfolio Sellers. If after the execution of the Property Purchase Agreement and the delivery by the Company of the Deposit either the Blackstone Member or the Tanger Member defaults in its obligations to fund its portion of the Acquisition Cost pursuant to Section 5.1(a), then (i) the defaulting Member shall be deemed to have withdrawn as a Member from the Company, have no further rights or obligations under this Agreement and no further claim or rights with respect to the Deposit or the Property Purchase Agreement and any such claim or rights with respect to such Deposit or the Property Purchase Agreement shall be deemed to have been transferred to the non-defaulting Member, and (ii) the defaulting Member shall be responsible for reimbursing the non-defaulting Member the aggregate amount of all Capital Contributions made or deemed made by such non-defaulting Member, including without limitation, all Capital Contributions made to fund the Deposit.

(b) Subject to Section 3.3(a), each Member, acting pursuant to a Member Consent, shall have the authority on behalf of the Company to enforce, modify, terminate, make waivers, make all decisions and take all actions under the Property Purchase Agreement. Each Member shall (i) cooperate with the other Member to ensure that the Company complies in a timely manner with its duties and obligations under the Property Purchase Agreement, (ii) consult and cooperate with the other Member in connection with all decisions to be made, all notices to be delivered, all consents and approvals to be given or obtained and all conditions to be satisfied by the Company under the Property Purchase Agreement, and (iii) consult with the other Member to determine all Acquisition Costs reasonably to be made in connection with the acquisition of the Portfolio and the assumption of the Existing GMAC Loan.

(c) In the event a closing condition of the Portfolio Sellers has not been satisfied as of the Acquisition Closing Date, including if the Portfolio Sellers are in default of any of their material obligations thereunder ("Seller Closing Condition Default"), each Member shall have the option of either waiving such Seller Closing Condition Default or terminating the Property Purchase Agreement pursuant to its terms by the delivery of a termination notice to the other Member promptly after the discovery of such Seller Closing Condition Default. If either Member elects to waive such Seller Closing Condition Default (the "Waiving Member") and the other party elects not to waive such Seller Closing Condition Default (the "Non-Waiving Member"), then the Waiving Member may close on the purchase of the Portfolio without the Non-Waiving Member and (i) the Waiving Member shall reimburse the Non-Waiving Member for its portion of the Deposit and Pursuit Costs that has been incurred or paid by such Non-Waiving Member through the date the Non-Waiving Member elects to terminate the Property Purchase Agreement and (ii) Non-Waiving Member shall be deemed to have withdrawn as a Member from the Company and shall have no further rights or obligations under this Agreement.

(d) If the Members jointly decide to terminate the Property Purchase Agreement in accordance with its terms, none of the Members shall have

any additional rights or obligations under this Agreement (other than such obligations to return the portion of the Deposit and Pursuit Costs provided herein) and the Members shall jointly cause a Certificate of Cancellation for the Company to be filed with the Secretary of State's Office of Delaware promptly after the Members have elected to terminate. To the extent the Deposit is returned to the Company by the Portfolio Sellers following such termination, such Deposit shall be returned to the Members in accordance with their respective Sharing Percentages.

(e) In the event the Closing of the acquisition by the Company of the Portfolio does not occur, (i) the Blackstone Member shall be responsible for (x) the Pursuit Costs in an amount equal to $516,404 representing such Pursuit Costs incurred by the Blackstone Member prior to the LOI Effective Date and as more particularly set forth on Schedule B attached hereto and (y) two-thirds of the Pursuit Costs incurred by the Company for the period following the LOI Effective Date and (2) the Tanger Member shall be responsible for one-third of the Pursuit Costs incurred by the Company for the period following the LOI Effective Date. Any amounts received from the Portfolio Sellers as an expense reimbursement shall be divided among the Members in a manner consistent with the responsibility for Pursuit Costs as set forth in the immediately preceding sentence.

SECTION 3.4. Business Plans and Operating Budgets.

(a) The Members have approved an interim Business Plan for the Company for the period expiring December 31, 2003, which Business Plan incorporates an initial Operating Budget. Within 60 days of the Acquisition Closing Date, the Members shall approve the initial Business Plan for the Company, which, upon such approval by the Members, shall supersede the interim Business Plan for the Company.

(b) Pursuant to the Property Management Agreement, the Manager shall on or before November 15th of each calendar year, prepare and submit to the Members for approval a proposed Business Plan for the ensuing calendar year. The Business Plan shall include, without limitation, each of the following items containing the most current information with regard thereto then available: (i) a comprehensive survey of the market in which each Property is competing, (ii) a detailed description of the renovation, refurbishment, maintenance, repair and management of the Properties, including, without limitation, any planned or required improvements to the Properties, (iii) a forecast of the capital spending requirements of the Company for the succeeding three year period, (iv) a detailed Operating Budget, and (v) a detailed marketing report.

(c) Not later than 30 days after receipt by the Members of the proposed Business Plan, either Member may deliver a notice to the other stating that such Member objects to any information contained in or omitted from such Business Plan and setting forth the nature of such objection. Upon receipt of such notice, the Members shall in good faith attempt to resolve any differences with respect to the proposed Business Plan.

(d) If a Business Plan for any calendar year has not been approved by January 1st of that year, the Company shall continue to operate under the Business Plan for the previous year until a new Business Plan, as provided in this Section 3.4, is approved by the Members acting pursuant to a Member Consent, with such adjustments to the Operating Budget contained therein as may be necessary to reflect approved contracts or leases, deletion of non-recurring expense items set forth on the previous Operating Budget and increased insurance costs, taxes, utility costs and debt service payments.

(e) The Company shall operate under annual Business Plans, including Operating Budgets which have been approved pursuant to this subsection.

SECTION 3.5. ERISA Matters. The parties acknowledge that the Blackstone Member is a direct or indirect controlled subsidiary of an entity (the "Blackstone REOC") that is intended to qualify as a "real estate operating company" within the meaning of the U.S. Department of Labor plan asset regulation (Section 2510.3-101, Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations) and that it is intended that the Blackstone REOC will have the right to substantially participate directly in the management, operations and development of the Portfolio. Towards that end, on the Acquisition Closing Date, the Company and the Property Entities shall execute and deliver the letter agreement in the form attached as Exhibit C.

ARTICLE IV

Other Activities Permitted

Except as expressly provided hereunder, this Agreement shall not be

construed in any manner to preclude any Member or any of its Affiliates from engaging in any activity whatsoever permitted by applicable law (whether or not such activity might compete, or constitute a conflict of interest, with the Company), including, without limitation, the provision of financial or investment advisory services to any Person, managing investments or receiving compensation or profit from any of the foregoing. The Blackstone Member acknowledges that the Tanger Guarantor and its Affiliates are engaged in the ownership and management of retail shopping facilities similar to, and in geographic proximity with, the Properties. The Blackstone Member acknowledges that neither the Tanger Guarantor, the Tanger Member nor any Affiliate of the Tanger Guarantor has any obligation (whether arising at law or in equity) to refrain from the ownership and/or management of any such other shopping center; provided, such acknowledgment does not diminish or impair any rights of the Company or obligations of the Tanger Manager under the Tanger Management Agreement or under the Tanger License Agreement. The Tanger Member acknowledges that neither BREP, the Blackstone Member nor any Affiliate of BREP has any obligation (whether arising at law or in equity) to refrain from the ownership and/or management of retail shopping facilities similar to, and in geographic proximity with, the Properties.

ARTICLE V

Capital Contributions;

Distributions

SECTION 5.1. Initial Capital Contributions.

(a) Each of the Members have made or shall make on the dates and in the allocated amounts specified below initial capital contributions (the "Initial Capital Contributions") to pay the following items in connection with the acquisition of the Portfolio:

(i) On the date hereof, the Blackstone Member shall deposit $6,666,667 and the Tanger Member shall deposit $3,333,333 with Fidelity National Title Insurance Company of New York, as escrow agent on account of the Deposit required to be delivered by the Company under the Property Purchase Agreement.

(ii) On the Acquisition Closing Date, the Blackstone Member and the Tanger Member shall each make a further Capital Contribution to the Company in an amount equal to such Member's Sharing Percentage of the Acquisition Costs. The Blackstone Member and the Tanger Member acknowledge that the parties' estimate of the Acquisition Costs is as set forth on Schedule C attached hereto.

(b) The obligation of the Blackstone Member and the Tanger Member to make their Initial Capital Contribution on the Acquisition Closing Date is subject to the satisfaction of the following conditions precedent:

(i) the Existing Lender shall have consented to the assumption of the Existing GMAC Loan by the Property Entitles and any conditions to such consent shall have been satisfied; and

(ii) all conditions precedent to the purchaser's obligation to close under the Property Purchase Agreement shall have been satisfied or waived by the Members (including, without limitation, the waiver by L.L. Bean of a right of first refusal with respect to the outlet center commonly known as Rehoboth I located in Rehoboth, Delaware).

SECTION 5.2. Subsequent Fundings.

(a) In addition to the Initial Capital Contributions set forth in Section 5.1, in the event it is determined by the Members acting pursuant to a Member Consent that funds in excess of the Initial Capital Contributions, are required (i) in connection with any of the purposes set forth in Section 2.5, (ii) to pay for fees, costs or expenses payable by the Company pursuant to this Agreement or (iii) otherwise to meet the Company's then existing obligations and, in each case, funds are not otherwise available from Company revenues, within 10 days after notice of a Member Consent authorizing such additional capital contributions, each of the Members shall make further Capital Contributions pro rata in accordance with their respective Sharing Percentages, which amounts shall be set forth in the books and records of the Company. The Tanger Member acknowledges that it does not have the right, without a Member Consent executed and delivered by the Blackstone Member, to make any further Capital Contributions or to loan any funds to the Company in order for the Company to distribute a Minimum Primary Return pursuant to this Agreement.

(b) No Member shall be required to make a Capital Contribution except as provided in this Article V. No Member shall have any obligation to restore any negative balance in the Member's Capital Account upon

liquidation of the Company. No Member shall be entitled to withdraw all or any part of its Capital Contributions except as expressly provided in this Agreement. No interest shall be payable by the Company on the Capital Contributions of any Member except as otherwise provided herein. In no event shall any Member be entitled to demand any property from the Company other than cash.

(c) If any Member shall fail to timely make a Capital Contribution required pursuant to Section 5.2 (such Member is hereinafter referred to as a "Non-Contributing Member") and such default is not cured within 10 days of the due date for such Capital Contribution, then any other Member (a "Contributing Member") may fund all or part of such Capital Contribution and any amounts funded by a Contributing Member on behalf of a Non-Contributing Member shall be made directly to the Company but shall be treated as (i) a non-recourse demand loan (except to the extent of the Non-Contributing Member's Interest) made by the Contributing Member to the Non-Contributing Member (bearing interest at a fluctuating rate of interest equal to the greater of (A) 20% per annum and (B) 10% per annum in excess of the prime rate of interest publicly announced by Citibank, N.A., from time to time, but in no event in excess of the maximum rate permitted by applicable law), in each case with interest compounding quarterly, followed by (ii) a Capital Contribution (a "Default Capital Contribution") by such Non-Contributing Member to the Company. Any such non-recourse loan shall be repaid directly by the Company on behalf of the Non-Contributing Member to the Contributing Member only from Non-Capital Proceeds and Capital Proceeds thereafter otherwise distributable to the Non-Contributing Member until repaid in full. Amounts paid directly by the Company to the Contributing Member on account of the loan shall be deemed distributions to the Non-Contributing Member. Any Non-Capital Proceeds and Capital Proceeds used to repay such loan shall be applied first to the interest on and then to principal of such loan.

SECTION 5.3. Distributions Generally. Capital Proceeds (other than distributions of Capital Proceeds in connection with the sale of all of the assets of the Company) shall be distributed as soon as practicable but in any event within 45 days after the date that such Proceeds are received by the Company. Non-Capital Proceeds shall be distributed monthly no later than 10 days after the end of each calendar month. The Company shall make such distributions in cash among the Members in accordance with this Article V.

SECTION 5.4. Distribution of Proceeds.

(a) Distribution of Non-Capital Proceeds shall be made to the Members in the following order:

(i) First, to the Blackstone member until the balance of the Blackstone Member's Primary Return Account has been reduced to zero;

(ii) Second, to the Tanger Member until the balance of the Tanger Member's Primary Return Account has been reduced to zero; and

(iii) Third, one-third to the Blackstone Member and two-thirds to the Tanger Member.

(b) Except in connection with a liquidation of the Company (which shall be governed by Section 7.3) distributions of Capital Proceeds shall be made to the Members in the following order:

(i) First, to the Blackstone Member until the balance of the Blackstone Member's Primary Return Account has been reduced to zero;

(ii) Second, to the Blackstone Member until the balance of the Blackstone Member's Investment Account has been reduced to zero;

(iii) Third, to the Tanger Member until the balance of the Tanger Member's Primary Return Account has been reduced to zero;

(iv) Fourth, to the Blackstone Member until the balance of the Blackstone Member's Secondary Return Account has been reduced to zero;

(v) Fifth, to the Tanger Member until the balance of the Tanger Member's Investment Account has been reduced to zero;

(vi) Sixth, to the Tanger Member until the balance of the Tanger Member's Secondary Return Account has been reduced to zero; and

(vii) Seventh, one-third to the Blackstone Member and two-thirds to the Tanger Member.

(c) For illustrative purposes only, a hypothetical example of certain

possible distributions pursuant to Section 5.4(b) is set forth on Schedule D. The figures set forth on Schedule D are used solely for purposes of illustration and in no event shall the following examples be deemed to grant the Tanger Member or the Blackstone Member any additional rights under this Agreement.

SECTION 5.5. Restricted Payments. Notwithstanding any provisions to the contrary in this Agreement, the Company shall not make a distribution if such distribution would violate the Act.

SECTION 5.6. Reimbursement of Expenses(a) Promptly after the date of this Agreement, the Company, to the extent it does not pay such costs and expenses directly, will reimburse each Member for Organizational Expenses incurred by such Member and all other third-party out-of-pocket costs and expenses incurred prior to the execution of this Agreement in connection with the formation of the Company as each of the same has been approved pursuant to a Member Consent.

(b) Each of the Members shall be responsible for its own formation and organizational expenses with respect to the entities constituting each of the Members.

SECTION 5.7. Fee Waiver. A portion of the Acquisition Fee in the amount of $2,750,000 would have been payable to COP Holdings, LLC, an indirect member of the Blackstone Member. COP Holdings, LLC has agreed to waive its $2,750,000 fee in exchange for a "profits interest" indirectly in the Blackstone Member. Therefore (i) the Acquisition Fee payable by the Company is hereby reduced from $7,000,000 to $4,250,000, (ii) the amount of the Blackstone Member's Initial Capital Contribution on the Acquisition Closing Date shall be reduced by $2,750,000, (iii) the Blackstone Member shall receive an additional interest in profits of the Company in an amount up to $2,750,000 (the "Profits Interest") and (iv) for purposes of Section 5.4 and 7.3 of this Agreement, the $2,750,000 waived fee shall be deemed a Capital Contribution for purposes of calculating distributions to the Members. It is the intention of the Members that distributions to the Blackstone Member on account of the Profits Interest be limited to the extent necessary so that such Interest constitutes a "profits interest" for US federal income tax purposes. In furtherance of the foregoing, the Company shall, if necessary, limit distributions to the Blackstone Member on account of the Profits Interest under Section 5.4 so that such distributions do not exceed the amount of available profits (as determined by the Blackstone Member). In the event the Blackstone Member distributions are reduced pursuant to the preceding sentence, an amount equal to such excess distributions shall be treated as instead being apportioned to the Blackstone Member (on account of its Capital Contributions) and the Tanger Member under Section 5.4, and the Company shall make appropriate adjustments to future distributions with respect to Blackstone Member (on account of its Capital Contributions) and the Tanger Member under Section 5.4, so that the Blackstone Member receives (consistent with the principles of this subsection) an amount on account of its Profits Interest equal to such excess distributions out of amounts that, but for this sentence, would have been distributed to the Blackstone Member (on account of its Capital Contributions) and the Tanger Member.

ARTICLE VI

Books and Reports; Tax Matters; Capital Accounts; Allocations

SECTION 6.1. General Accounting Matters(a) Allocations of Net Income (Loss) pursuant to Section 6.4 shall be made by or under the direction of the Members at the end of each Fiscal Year.

(b) Each Member shall be supplied with the Company information necessary to enable such Member to prepare in a timely manner its Federal, state and local income tax returns and such other financial or other statements and reports.

(c) The Members shall keep or cause to be kept books and records pertaining to the Company's business showing all of its assets and liabilities, receipts and disbursements, realized profits and losses, Members' Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept at the office of the Company and the Members and their representatives shall at all reasonable times have free access thereto for the purpose of inspecting or copying the same. The Company's books of account shall be kept on an accrual basis or as otherwise provided pursuant to a Member Consent and otherwise in accordance with generally accepted accounting principles, except that for income tax purposes such books shall be kept in accordance with applicable tax accounting principles.

(d) All determinations, valuations and other matters of judgment required to be made for accounting and tax purposes under this Agreement shall be made by the Members acting pursuant to a Member Consent, and shall be conclusive and binding on all Members, former Members, their successors or legal representatives and any other Person except for computational errors or fraud, and to the fullest extent permitted by law no such Person shall have the right to an accounting or an appraisal of the assets of the Company or any successor thereto except

for computational errors or fraud.

(e) The books of the Company shall be examined, certified and audited annually as of the end of a Fiscal Year, by a recognized firm of independent certified public accountants selected pursuant to a Member Consent. Such accountants shall determine and prepare full financial statements, including, without limitation, a balance sheet, an income statement, a statement of changes in financial position and a statement of the Non-Capital Proceeds and Capital Proceeds of the Company. The Tax Matters Member shall promptly upon receipt of any such financial statements transmit copies thereof to each Member, together with the report and management letter of such accountants covering the results of such audit. The cost of all audits and reports provided to the Members pursuant to this Section shall be an expense of the Company.

SECTION 6.2. Certain Tax Matters.

(a) The taxable year of the Company shall be the same as its Fiscal Year. The Members shall cause to be prepared all Federal, state and local tax returns of the Company for each year for which such returns are required to be filed and shall cause such returns to be timely filed. The Members shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Tax Matters Member, acting pursuant to Member Consent, shall make the election provided for in Section 754 of the Code, if, and only if the Member who or which has acquired an interest in the Company or a distribution of Company property with respect to which the election is made will have provided to the Tax Matters Member concurrently, or within 30 days after the Transfer of such interest, its undertaking to the effect that it, and its successors in interest hereunder, will reimburse the Company annually for its additional administrative costs incurred by reason of such election as determined by the auditor of the Company. The Tax Matters Member, acting pursuant to Member Consent, shall also make the election to amortize Organizational Expenses pursuant to Code Section 709 and the regulation promulgated thereunder. In addition, any Member may, subject to a Member Consent, cause the Company to make or refrain from making any and all other elections permitted by the tax laws of the United States, the several states and other relevant jurisdictions. The "tax matters partner" for purposes of Section 6231(a)(7) of the Code (the "Tax Matters Member") shall be the Blackstone Member. The Tax Matters Member shall have all of the rights, duties, powers and obligations provided for in Sections 6221 through 6232 of the Code with respect to the Company.

(b) The Members (i) shall take such reasonable actions as are necessary or advisable for a direct or indirect member of any Member to qualify as a "real estate investment trust" within the meaning of section 856 of the Code, including such actions as are reasonably requested by any such Member, and, (ii) shall refrain from taking actions inconsistent with the ability of such member to so qualify, including refraining from taking actions to the extent reasonably requested by any such Member.

SECTION 6.3. Capital Accounts.

(a) There shall be established for each Member on the books of the Company as of the date hereof, or such later date on which such Member is admitted to the Company, a capital account (each being a "Capital Account"). Each Capital Contribution shall be credited to the Capital Account of such Member on the date such contribution of capital is paid to the Company. In addition, each Member's Capital Account shall be (a) credited with (i) such Member's allocable share of any Net Income of the Company, and (ii) any items of income or gain which are specially allocated pursuant to Section 6.5, (b) debited with (i) distributions to such Member of cash or the fair market value of other property (net of liabilities assumed by such Member and the liabilities to which such property is subject) (ii) such Member's allocable share of Net Loss of the Company and (iii) any items of loss or deduction specially allocated to such Member pursuant to Section 6.5, and (c) otherwise maintained in accordance with the provisions of the Code. Any other item which is required to be reflected in a Member's Capital Account under Section 704(b) of the Code or otherwise under this Agreement shall be so reflected. Capital Accounts shall be appropriately adjusted to reflect transfers of part (but not all) of a Member's interest in the Company. Interest shall not be payable on Capital Account balances. Notwithstanding anything to the contrary contained in this Agreement, the Company shall maintain the Capital Accounts of the Members in accordance with the principles and requirements set forth in section 704(b) of the Code and Regulations section 1.704-1(b)(2)(iv).

(b) The initial Capital Account of the Members shall be equal to the Capital Contribution made pursuant to Section 5.1.

SECTION 6.4. Allocations. Except as otherwise provided in this Agreement, Net Income and Net Loss of the Company shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after making such allocation, and after taking into account actual distributions made during such Fiscal Year (and distributions with respect to such Fiscal Year to be made after the end of such Fiscal Year if the Tax Matters Member is able to determine in good faith the manner in which such distributions shall be made under Section 5.4(b)) is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made to such Member pursuant to Section 5.4(b) if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Carrying Value, all Company liabilities, including the Company's share of any liability of any entity treated as a partnership for U.S. federal income tax purposes in which the Company is a partner, were satisfied (limited with respect to each nonrecourse liability to the Carrying Value of the assets securing such liability) and the net assets of the Company were distributed in accordance with Section 5.4(b) to the Members immediately after making such allocation, minus (ii) such Member's share of Minimum Gain and Member Nonrecourse Debt Minimum Gain determined pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), computed immediately prior to the hypothetical sale of assets.

SECTION 6.5. Special Allocations. Notwithstanding the provisions of this Article VI, net income, net gain, and net loss of the Company (or items of income, gain, loss, deduction, or credit, as the case may be) shall be allocated in accordance with the following provisions of this Section 6.5 to the extent such provisions shall be applicable.

(a) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in paragraphs (b)(2)(ii)(d)(4), (5) or (6) of Section 1.704-1 of the regulations under the Code, there shall be specially allocated to such Member such items of Company income and gain, at such times and in such amounts as will eliminate as quickly as possible that portion of any deficit in its Capital Account caused or increased by such adjustments, allocations or distributions. To the extent permitted by the Code and the regulations thereunder, any special allocations of items of income or gain pursuant to this Section 6.5(a) shall be taken into account in computing subsequent allocations of Net Income (Loss) pursuant to this Section 6.5 so that the net amount of any items so allocated and the subsequent allocations of Net Income (Loss) to the Members pursuant to this Section 6.5(a) shall, to the extent possible, be equal to the net amounts that would have been allocated to each such Member pursuant to the provisions of this Section 6.5(a) if such unexpected adjustments, allocations or distributions had not occurred.

(b) Nonrecourse Deductions of the Company for any Fiscal Year shall be specially allocated to the Members in the same proportion as Net Income or Net Loss is allocated for such Fiscal Year. Member Nonrecourse Deductions of the Company for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss for the liability in question. The provisions of this Section 6.5(b) are intended to satisfy the requirements of Regulations sections 1.704-2(e)(2) and 1.704-2(i)(1) and shall be interpreted in accordance therewith for all purposes under this Agreement.

(c) If there is a net decrease in the Minimum Gain of the Company during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such year equal to that Member's share of the net decrease in Minimum Gain, within the meaning of Regulations section 1.704-2(g)(2). The provisions of this Section 6.5(c) are intended to comply with the Minimum Gain chargeback requirements of Regulations section 1.704-2(f) and shall be interpreted in accordance therewith for all purposes under this Agreement.

(d) If there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member that has a share of such member Nonrecourse Debt Minimum Gain, determined in accordance with Regulations section 1.704-2(i)(5), as of the beginning of such year shall be specially allocated items of Company income and gain for such year (and, if necessary, for succeeding years) equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. The provisions of this Section 6.5(d) are intended to comply with the Member Nonrecourse Debt Minimum Gain chargeback requirement of Regulations section 1.704-2(i)(4) and shall be interpreted in accordance therewith for all purposes under this Agreement.

SECTION 6.6. Tax Allocations. All items of income, gain, loss, deduction and credit of the Company shall be allocated among the Members for Federal, state and local income tax purposes consistent with the manner that the corresponding constituent items of Net Income (Loss) shall be allocated among the Members pursuant to this Agreement, except as may otherwise be provided herein or by the

Code. To the extent Treasury Regulations promulgated pursuant to Subchapter K of the Code (including under Sections 704(b) and (c) of the Code) require allocations for tax purposes that differ from the foregoing allocations, the Tax Matters Member may determine the manner in which such tax allocations shall be made so as to comply more fully with such Treasury Regulations or other applicable law and, at the same time to the extent reasonably possible, preserve the economic relationships among the Members as set forth in this Agreement.

ARTICLE VII

Dissolution

SECTION 7.1. Dissolution. The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) an election by the Members, pursuant to a Member Consent, to dissolve the Company at such time all of the Properties have either been sold or transferred, (ii) the termination of the legal existence of the last remaining Member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining Member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act or (iii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a member of the Company to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (x) to continue the Company and (y) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

SECTION 7.2. Winding-up. When the Company is dissolved, the business and property of the Company shall be wound up and liquidated pursuant to a Member Consent or, in the event of a Dissolution Event, by such liquidating trustee as may be approved by a Member Consent (the remaining Members or such liquidating trustee, as the case may be, being hereinafter referred to as the "Liquidator"). The Liquidator shall use its best efforts to reduce to cash and cash equivalent items such assets of the Company as the Liquidator shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations.

SECTION 7.3. Final Distribution. Within 90 calendar days after the effective date of dissolution of the Company, the assets of the Company shall be distributed in the following manner and order:

(a) to the payment of the expenses of the winding-up, liquidation and dissolution of the Company;

(b) to pay all creditors of the Company, other than Members, either by the payment thereof or the making of reasonable provision therefor;

(c) to establish reserves, in amounts established pursuant to a Member Consent or such Liquidator, to meet other liabilities of the Company; and

(d) to pay, in accordance with the provisions of this Agreement applicable to any loans from a Member to a Company or in accordance with the terms agreed among them and otherwise on a pro rata basis, all creditors of the Company that are Members, either by the payment thereof or the making of reasonable provision therefor. The remaining assets of the Company shall be applied and distributed in accordance with the provisions of Section 5.4 of this Agreement.

ARTICLE VIII

Transfer of Member's Interests

SECTION 8.1. Restrictions on Transfer of Company Interests.

(a) No Member may, directly or indirectly, assign, sell, exchange, transfer, pledge, hypothecate or otherwise dispose of all or any part of its interest in the Company (any assignment, sale, exchange, transfer, pledge, hypothecation or other disposition of an interest in the Company being herein collectively called a "Transfer") to any Person, other than in accordance with Section 8.1(b). Without limiting the foregoing and except as permitted in Section 8.1(b), any change in the ultimate beneficial ownership of a Member shall be deemed a Transfer for purposes of this Agreement.

(b) The Blackstone Member (and any Person holding an interest, directly or indirectly, in the Blackstone Member) may make a Transfer (i) to an Affiliate of BREP without obtaining the prior consent of the other Members, (ii) to any other Person, so long as following such transfer, such Blackstone Member remains an Affiliate of BREP, without obtaining the prior consent of the other Members, (iii) to one or more Capital

Partners or (iv) to any other Person upon obtaining the prior consent of the Tanger Member. Notwithstanding the foregoing, prior to (i) the expiration of the Lockout Period, (ii) a Tanger Event or (iii) a Minimum Return Failure Event the Blackstone Guarantor will not Transfer to one or more Capital Partners all or substantially all of its interests, directly or indirectly, in the Blackstone Member unless such Transfer is the result of a Capital Partner exercising its contractual rights under the terms of the organizational documents of the Blackstone Member. The Tanger Member (and any Person holding an interest, directly or indirectly, in the Tanger Member) may make a Transfer (i) to an Affiliate of Tanger Guarantor without obtaining the prior consent of the other Members, (ii) to any other Person, so long as following such transfer, the Tanger Member remains an Affiliate of Tanger Guarantor, without obtaining the prior consent of the other Members or (iii) to any other Person upon obtaining the prior consent of the Blackstone Member. Notwithstanding anything to the contrary contained herein, a Transfer of shares or partnership interests in, or a Business Combination involving, Tanger REIT or Tanger Guarantor shall not be deemed a Transfer under this Agreement. Upon any direct Transfer of all of a Member's Interest in the Company in accordance with this subsection, the Person (the "Transferee") to whom the Member's Interest was transferred shall be admitted as a Member upon the Transferee's written acceptance and adoption of all of the terms and provisions of this Agreement.

(c) The Tanger Member represents to the Blackstone Member that as of the date of this Agreement, the Tanger Member is a wholly-owned subsidiary of the Tanger Guarantor.

(d) The Blackstone Member represents to the Tanger Member that as of the date hereof, the Blackstone Member is wholly-owned, directly or indirectly, by the Blackstone Guarantor and COP. The Tanger Member acknowledges that after the date hereof, interests in and management control of the Blackstone Member may be Transferred to one or more Capital Partners in accordance with this Section 8.1.

SECTION 8.2. Other Transfer Provisions.

(a) Any purported Transfer by a Member of all or any part of its interest in the Company in violation of this Article VIII shall be null and void and of no force or effect.

(b) Except as provided in this Article VIII, no Member shall have the right to withdraw from the Company prior to its termination and no additional Member may be admitted to the Company unless approved pursuant to a Member Consent. Notwithstanding any provision of this Agreement to the contrary, a Member may not Transfer all or any part of its interest in the Company if such Transfer (i) would jeopardize the status of the Company as a partnership for federal income tax purposes, or (ii) would violate, or would cause the Company to violate, any applicable law or regulation, including any applicable federal or state securities laws or any document or instrument evidencing indebtedness of the Company secured by the Properties.

(c) Concurrently with the admission of any substitute or additional Member, the Members shall forthwith cause any necessary papers to be filed and recorded and notice to be given wherever and to the extent required showing the substitution of a transferee as a substitute Member in place of the Member transferring its interest, or the admission of an additional Member, all at the expense, including payment of any professional and filing fees incurred, of such substituted or additional Member. The admission of any Person as a substitute or additional Member shall be conditioned upon such Person's written acceptance and adoption of all the terms and provisions of this Agreement.

(d) If any interest in the Company is Transferred during any accounting period in compliance with the provisions of this Article VIII, each item of income, gain, loss, expense, deduction and credit and all other items attributable to such interest for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such period in accordance with Section 706(d) of the Code, using any conventions permitted by law and selected by the Members. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize a Transfer on the date that the other Members receive notice of the Transfer which complies with this Article VIII from the Member transferring its interest.

ARTICLE IX

Right of First Offer

SECTION 9.1. Exercise of Right of First Offer.

(a) Subject to Section 3.1(g), this Section 9.1 and Section 9.2, no Member shall have the right to cause the Company to sell any of the Properties (or the Company's interest in any Property Entity) for a period of three years and 180 days following the Acquisition Closing Date (the "Lockout Period") without the other Member's consent. After the expiration of the Lock-Out Period, either Member shall have the right to cause the Company to sell all of the Properties (or all of the Company's interest in all of the Property Entities) as part of a single sale (a "Disposition"), provided such Disposition shall be subject to the right of first offer given to the other Member pursuant to this Section 9.1 ("ROFO").

(b) The Member desiring to sell all of the Properties or all of the Company's interest in all of the Property Entities (the "Offeror") shall, at any time after expiration of the Lockout Period, give a written notice (a "Sale Notice") to the other Member ("Offeree") setting forth (i) a statement of intent to rely upon this Section 9.1 and (ii) stating an all cash gross purchase price without deduction for any Company liabilities (the "ROFO Valuation Amount"), which Offeror would be willing to accept on behalf of the Company in connection with a Disposition. At any time within the 30-day period (the "Offer Period") commencing with the day Offeree receives the Sale Notice, Offeree shall either:

(i) deliver to Offeror written notice rejecting the ROFO Valuation Amount (a "Rejection Notice"); or

(ii) deliver to Offeror written notice electing to purchase the entire interest of Offeror in the Company (collectively, the "Offeror's Interest") at the Interest Price (an "Election Notice") and depositing within 15 days after delivery of the Election Notice in an escrow with a reputable title insurance company authorized to do business in the State of New York (the "ROFO Escrow Agent"), pursuant to escrow instructions consistent with this Article 9, a non-refundable cash down payment (the "Down Payment") in an aggregate amount equal to 5% of the ROFO Valuation Amount.

If Offeree shall have failed to (1) send an Election Notice within the Offer Period or to (2) deposit such Down Payment within 15 days of the delivery of the Election Notice, Offeree shall be deemed to have delivered a Rejection Notice under this Section 9.1 on the last day of the Offer Period.

(c) In the event a Member has timely delivered a Sale Notice, the other Member shall be prohibited from sending an additional Sale Notice until the expiration of the ROFO Sale Period (as defined below) with respect to such Sale Notice.

(d) Notwithstanding anything to the contrary contained herein, in the event a Tanger Event shall occur prior to the expiration of the Lockout Period, the Blackstone Member shall have the right, at any time following such Tanger Event, to cause the Company to sell all of the Properties or all of the Company's interest in all of the Property Entities subject to providing the Tanger Member with its ROFO under this Article IX.

(e) Notwithstanding anything to the contrary contained herein, in the event a BREP Event shall occur prior to the expiration of the Lockout Period, the Tanger Member shall have the right, at any time following such BREP Event, to cause the Company to sell all of the Properties or all of the Company's interest in all of the Properties Entities subject to providing the Blackstone Member with its ROFO under this Article IX.

SECTION 9.2. Purchase Election Exercised

(a) If Offeree properly made an election to purchase Offeror's Interest under Section 9.1(b)(ii), Offeror, as seller, and Offeree, as purchaser, shall proceed to close the sale of Offeror's Interest at Offeror's Interest Price on a date (the "ROFO Closing Date") which is mutually acceptable to Offeror and Offeree, but in any event not later than 30 days after the expiration of the Offer Period at a location in New York City designated by Offeree. On the ROFO Closing Date, (i) Offeror shall sell to Offeree all of its Interests in the Company, free and clear of all liens, encumbrances, claims, rights and options (but subject to this Agreement) by Offeror and Offeree executing and delivering the documents attached hereto as Exhibit D (the "ROFO Sale Documents") and (ii) Offeree shall pay to Offeror the Interest Price by wire transfer of immediately available funds. Escrow costs, if any, shall be divided equally between Offeror and Offeree. Offeree shall pay all transfer or similar taxes due upon the sale of Offeror's Interests under this Article to Offeree. Each of Offeror and Offeree shall be responsible for all of its other own costs and expenses, including attorneys fees, arising out of such sale.

(b) If the closing fails to occur by reason of a default of Offeree, Offeree's rights under this Article IX shall be deemed extinguished, Offeror shall be entitled to retain the Down Payment as liquidated damages and Offeror shall thereafter be free, at any time and from time to time, to cause the Company to sell the Properties or the Company's interest in the Property Entities exclusively on behalf of the Company or the Property Entities in an arms-length transaction with a third-party at such price as Offeror determines without compliance with the provisions of this Article IX. The parties acknowledge that it would be impractical and extremely difficult to estimate the damages which the Offeror may suffer in connection with a default by the Offeree under this Section. Therefore, the parties have agreed that a reasonable estimate of the total net detriment that the Offeror would suffer in such event is and shall be the right of Offeror to receive from the ROFO Escrow Agent the Deposit as liquidated damages, as its sole and exclusive remedy under this Section 9.2. Such liquidated damages are not intended as a forfeiture or penalty within the meaning of applicable law. If the closing fails to occur by reason of default of Offeror, then, in addition to any other remedies available at law or equity, Offeree shall have the right to seek specific performance.

SECTION 9.3. Purchase Election Not Exercised.

(a) If Offeree has delivered a Rejection Notice (or is deemed to have delivered a Rejection Notice) pursuant to Section 9.1(b), Offeror shall have a period (the "ROFO Sale Period") of 180 days from the expiration of the Offer Period to cause the Company or the Property Entities to enter into a contract of sale for the Properties or the Company's interest in the Property Entities as Offeror shall deem necessary or desirable (a "Disposition Agreement") with a party (other than Affiliates of Offeror) for a purchase price equal to or greater than 100% of the ROFO Valuation Amount. The Disposition Agreement must provide for a closing under such Disposition Agreement on a date ("Outside Date") not later than 270 days after the expiration of the Offer Period. Offeree shall cooperate in such sale and shall execute and deliver any and all documents and instruments reasonably required to effectuate such sale, including, without limitation, the Disposition Agreement and deeds for the Properties; provided, however, Offeror, acting alone shall have the authority necessary as aforesaid to bind the Company and the Members and to execute any and all documents that may be required in connection with such sale.

(b) If Offeror desires to cause the Company to sell all of the Properties or the Company's interest in all of the Property Entities for less than 100% of the ROFO Valuation Amount, Offeror shall have the right at any time to issue a revised Sale Notice to Offeree setting forth such revised ROFO Valuation Amount and otherwise complying with all of the requirements of Section 9.1. Upon receipt of such revised Sale Notice, Offeree shall have all of the rights as set forth in Section 9.1. If Offeror desires to cause the Company to sell all of the Properties or the Company's interest in all of the Property Entities (i) pursuant to a contract entered into after the expiration of the ROFO Sale Period or (ii) on a date after the Outside Date, Offeror must again comply with all of the requirements of Section 9.1 and Offeree shall have all of the rights as set forth in Section 9.1.

ARTICLE X

Miscellaneous

SECTION 10.1. Equitable Relief. The Members hereby confirm that damages at law may be an inadequate remedy for a breach or threatened breach of this Agreement and agree that, in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but, nothing herein contained is intended to, nor shall it, limit or affect any right or rights at law or by statute or otherwise of a Member aggrieved as against the other for a breach or threatened breach of any provision hereof, it being the intention by this Section 10.1 to make clear the agreement of the Members that the respective rights and obligations of the Members hereunder shall be enforceable in equity as well as at law or otherwise and that the mention herein of any particular remedy shall not preclude a Member from any other remedy it or he might have, either in law or in equity.

SECTION 10.2. Officers. The Company may employ and retain persons as may be necessary or appropriate for the conduct of the Company's business, including employees and agents who may be designated as officers with titles, including, but not limited to, "chairman," "chief executive officer," "president," "vice president," "treasurer," "secretary," "director" and "chief financial officer," as and to the extent authorized by a Member Consent and with such powers as authorized by a Member Consent.

SECTION 10.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. In particular, the Company

is formed pursuant to the Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided.

SECTION 10.4. Successors and Assigns. Subject to Article VIII, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns.

SECTION 10.5. Access; Confidentiality. By executing this Agreement, each Member expressly agrees, at all times during the term of the Company and thereafter and whether or not at the time a Member of the Company (i) not to issue any press release or advertisement or take any similar action concerning the Company's business or affairs without first obtaining a Member Consent which shall not be unreasonably withheld, (ii) not to publicize detailed financial information concerning the Company and (iii) not to disclose the Company's affairs generally without using reasonable efforts to consult with the other Members prior to such disclosure; provided, however, the foregoing shall not restrict any Member from disclosing information concerning such Member's investment in the Company to its officers, directors, employees, agents, legal counsel, accountants, other professional advisors, limited partners, members and Affiliates, or to prospective or existing investors of such Member or its Affiliates or to prospective or existing lenders to such Member or its Affiliates. The provisions of this Section shall survive the termination of the Company. Notwithstanding anything to the contrary provided elsewhere herein, (i) any party to this Agreement (and any employee, representative, or other agent of any party to this Agreement) may disclose to any and all Persons, without limitation of any kind, (x) the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure (however, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities law) or (y) any other information to the extent necessary to comply with applicable federal or state securities laws or in connection with the required accounting for a Member's Interest in the Company under generally accepted accounting principles, (ii) the Members shall cause the Company to issue a press release in a form to be approved by the Members upon the full execution of the Purchase Agreement and following the Acquisition Closing Date, (iii) COP, RFR Holdings LLC or its Affiliates may disclose in any form and for any purpose (including but not limited to marketing or promotional materials) that they have "originated and acted as an advisor and participant" in the acquisition of the Portfolio; provided that, without the consent of the Tanger Member, none of the COP, RFR Holdings LLC or any of its Affiliate shall be entitled to use or mention the name of the Tanger Member or any of its Affiliate in any such disclosure and (iv) Compass Advisers, LLC or its Affiliates may disclose in any form and for any purpose (including but not limited to marketing or promotional materials) that they have acted as an advisor to the Tanger Member and its Affiliates in the acquisition of the Portfolio; provided that, without the consent of the Blackstone Member, Compass Advisers, LLP or its Affiliates shall not be entitled to use or mention the name of the Blackstone Member or any of its Affiliate in any such disclosure. The provisions of this Section 10.5 shall survive the termination of the Company.

SECTION 10.6. Notices. Whenever notice is required or permitted by this Agreement to be given, such notice need not be in writing unless otherwise required herein or requested by the receiving Member. If in writing, such notice shall be given to any Member at its address or facsimile number shown in the Company's books and records (including Schedule A hereto). Each such notice shall be effective (i) if given by facsimile, upon oral confirmation of receipt, (ii) if given by mail, on the fourth day after deposit in the mails (certified or registered return receipt requested) addressed as aforesaid and (iii) if given by any other means, when delivered to and receipted for at the address of such Member specified as aforesaid.

SECTION 10.7. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument.

SECTION 10.8. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter hereof.

SECTION 10.9. Amendments. Any amendment to this Agreement shall be effective only if such amendment is evidenced by a written instrument duly executed and delivered pursuant to a Member Consent.

SECTION 10.10. Section Titles. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text hereof.

SECTION 10.11. Representations and Warranties. Each Member represents, warrants and covenants to each other Member and to the Company that:

(a) such Member, if not a natural person, is duly formed and validly

existing under the laws of the jurisdiction of its organization with full power and authority to conduct its business to the extent contemplated in this Agreement;

(b) this Agreement has been duly authorized, executed and delivered by such Member and constitutes the valid and legally binding agreement of such Member enforceable in accordance with its terms against such Member except as enforceability hereof may be limited by bankruptcy, insolvency, moratorium and other similar laws relating to creditors' rights generally and by general equitable principles;

(c) the execution and delivery of this Agreement by such Member and the performance of its duties and obligations hereunder do not result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement, or any license, permit, franchise or certificate, to which such Member is a party or by which it is bound or to which its properties are subject, or require any authorization or approval under or pursuant to any of the foregoing, or violate any statute, regulation, law, order, writ, injunction, judgment or decree to which such Member is subject;

(d) such Member is not in default (nor has any event occurred which with notice, lapse of time, or both, would constitute a default) in the performance of any obligation, agreement or condition contained in any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness or any lease or other agreement, or any license, permit, franchise or certificate, to which it is a party or by which it is bound or to which the properties of it are subject, nor is it in violation of any statute, regulation, law, order, writ, injunction, judgment or decree to which it is subject, which default or violation would materially adversely affect such Member's ability to carry out its obligations under this Agreement;

(e) there is no litigation, investigation or other proceeding pending or, to the knowledge of such Member, threatened against such Member or any of its Affiliates which, if adversely determined, would materially adversely affect such Member's ability to carry out its obligations under this Agreement; and

(f) no consent, approval or authorization of, or filing, registration or qualification with, any court or governmental authority on the part of such Member is required for the execution and delivery of this Agreement by such Member and the performance of its obligations and duties hereunder.

SECTION 10.12. Guaranties

(a) Either the Tanger Guarantor or the Blackstone Guarantor or both (each a "Guarantor" and collectively the "Guarantors") may be required to provide to the Existing Lender a recourse carve-out guarantee ("Guaranty") with respect to one or more of the items set forth on Schedule E (the "Recourse Obligations") in connection with the assumption of the Existing GMAC Loan by the Property Entities. The Blackstone Member shall indemnify and hold the Tanger Guarantor harmless to the extent that any loss, claim, damage or liability ("Loss") of the Tanger Guarantor under such Guaranty is caused by the willful misconduct, gross negligence, fraud or criminal conduct of the Blackstone Member or any of its Affiliates. The Tanger Member shall indemnify and hold the Blackstone Guarantor harmless to the extent that any Loss of the Blackstone Guarantor under such Guaranty is caused by the willful misconduct, gross negligence, fraud or criminal conduct of the Tanger Member or any of its Affiliates.

(b) If such Loss does not result from the willful misconduct, gross negligence, fraud or criminal conduct of the Blackstone Member, the Tanger Member or their respective Affiliates (a "Mutual Loss Event"), then each Member's liability in connection with such Loss shall be equal to such Member's Sharing Percentage of the Loss (its "Proportionate Liability Amount"). If any Guarantor ("Indemnified Guarantor") pays more than its affiliated Member's Proportionate Liability Amount under any of the Guarantees in connection with a Mutual Loss Event (the "Excess Amount"), then the Member affiliated with the other Guarantor shall indemnify and hold harmless such Indemnified Guarantor from and against such Excess Amount and all payments, costs and expenses (including reasonable attorneys' fees) which are incurred by the Indemnified Guarantor in enforcing its rights under this Section.

(c) The Tanger Member and the Blackstone Member each hereby covenant and agree that it shall not engage in any conduct or action that would violate any of the Recourse Obligations.

(d) The Tanger Guarantor and the Blackstone Guarantor shall each provide

the Existing Lender with all information in its possession or readily obtainable relating to such Guarantor's respective financial condition which is requested by the Existing Lenders in connection with the assumption of the Existing Loan by the Property Entities.

(e) The Blackstone Guarantor shall execute and deliver to the Tanger Member, the Blackstone Guaranty, whereby the Blackstone Guarantor shall guaranty the due performance of the obligations of the Blackstone Member under Section 3.3 and this Section 10.12.

(f) The Tanger Guarantor shall execute and deliver to the Blackstone Member, the Tanger Guaranty, whereby the Tanger Guarantor shall (i) guaranty the due performance of the obligations of the Tanger Member under Section 3.3 and this Section 10.12, and (ii) indemnify the Blackstone Member for any Loss incurred by the Blackstone Member after a Minimum Return Failure Event as a result of any action taken by the Tanger Member or any Affiliate thereof to impair or delay implementation of any action by the Company approved by the Blackstone Member.

IN WITNESS WHEREOF, the parties have executed this Limited Liability Company Agreement as of the day and year first above written.

Blackstone Member:

BROC PORTFOLIO L.L.C., a Delaware limited liability company

By: _____
Name:
Title:

Tanger Member:
TANGER COROC, LLC, a North Carolina limited liability company

By: Tanger Devco, LLC, its manager

By: _____
Name:
Title:

EXHIBIT 10.2

Form of Tanger Management Agreement

SHOPPING CENTER MANAGEMENT AGREEMENT

THIS SHOPPING CENTER MANAGEMENT AGREEMENT (the "Agreement") is entered into and made effective as of _____, 2003 (the "Effective Date") between the entities set forth on Exhibit A (each an "Owner"; collectively referred to herein as "Owners"), and TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership ("Property Manager") having its principal office in Greensboro, North Carolina (such office herein referred to sometimes as the "Corporate Office"). Owners and Property Manager are sometimes referred to in this Agreement collectively as the "Parties" and individually as a "Party".

RECITALS

A. Owners are the owners or lessees of those certain retail outlet shopping centers listed on Exhibit B attached hereto together with the building and other improvements located thereon (each a "Center"'; collectively referred to herein as the "Centers"). The allocated gross leaseable area for each Center is set forth on Exhibit B, with an aggregate of 3,273,041 square feet of gross leaseable area for all of the Centers ("GLA").

B. Owners and Property Manager wish to enter into this Agreement pursuant to which Property Manager will manage the Centers upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. APPOINTMENT AND TERM. Owners hereby grant to Property Manager, as an independent contractor, and Property Manager accepts, the sole and exclusive right to manage, operate and lease the Centers subject to the terms and provisions of this Agreement.

1.1 Term. The term of this Agreement shall begin on _____, 2003 (the "Commencement Date") and shall continue in full force and effect until December 31, 2009 (the "Primary Term") unless otherwise terminated as provided herein. Unless either Party notifies the other Party in writing that it does not wish to extend the term of this Agreement at least one hundred twenty (120) days prior to the end of the then pending term, the term of this Agreement shall be extended for successive one calendar year terms (an "Extended Term") upon the same terms and conditions set forth herein for the Primary Term including the payment of Compensation calculated in the same manner as the Compensation for the Primary Term.

2. COMPENSATION

2.1 Management Leasing Fee. As compensation for services to be provided by Property Manager pursuant to this Agreement ---------- ("Compensation"), Owners shall pay Property Manager:

(a) Management and Leasing Fee. An annual "Management and Leasing Fee" in an amount equal to the product of (x) One Dollar ($1.00) and (y) the GLA, as the same may be reduced pursuant to the terms of this Agreement; plus

(b) Incentive Fee.

(i) An annual management "Incentive Fee" in an amount equal to 33.33% of the amount by which Net Operating Income (as defined herein) for the Centers in any calendar year exceeds the Net Operating Income for the twelve calendar months ending on July 31, 2003 (the "Base Period"); provided however, the Net Operating Income for the Base Period shall be adjusted by increasing or decreasing the management fee payable during the Base Period to an amount equal to $1.00 per square foot of GLA); and provided, further, the annual Incentive Fee shall in no event exceed $800,000.00 (the "NOI Cap") or such reduced amount in the event one or more Centers are not subject to this Agreement as more particularly described in Section 2.1(c). If the Commencement Date occurs on a date other than January 1 or this Agreement terminates on a date other than December 31, the Incentive Fee for either the first year or the last year of this Agreement or both, to the extent applicable, shall be prorated and equal to 33.33% of the amount by which Net Operating Income for that portion of the calendar year exceeds Net Operating Income for the same portion of the calendar year in the Base Period but not to exceed a prorated portion of the NOI Cap. A calculation of the Net Operating Income for the Base Period, with the management fee adjustment described above is

attached hereto as Exhibit C. ---------

(ii) For purposes of this Agreement "Net Operating Income" shall mean for any period, the Operating Revenues (as defined below) for such period less Operating Expenses (as defined below) for such period.

"Operating Revenues" shall mean all operating revenues of the Centers calculated on the accrual basis in accordance with generally accepted accounting principals ("GAAP") other than straight lining of rents including, payments from a tenant for the early termination of a tenant lease, business interruption insurance proceeds, vending income but excluding (i) extraordinary items of income as defined under GAAP applied on a consistent basis, (ii) sales, excise or any similar taxes collected, (iii) proceeds of sales involving dispositions of capital assets, furniture and equipment or operating equipment, (iv) proceeds from any financing, (v) any capital contributions or loans made by Owner or the equityholders in Owner, (vi) security deposits delivered by tenants (unless applied to rental income upon termination of a lease), (vii) rents paid for more than one month in advance, (viii) proceeds under that certain Amended and Restated Private Redevelopment Contract Pursuant to Tuscola, Illinois Redevelopment Project Area Tax Increment dated November 22, 1999 (except, and to the same extent that, any portion thereof was included in income for the Base Period) and (ix) proceeds from condemnation or sale in lieu of or under threat of condemnation, proceeds of insurance (other than business interruption insurance proceeds).

"Operating Expenses" shall mean all costs and expenses of the Centers calculated on an accrual basis in accordance with GAAP, including, without limitation, the Management and Leasing Fee payable hereunder, real estate taxes, insurance premiums and employee costs but excluding (i) depreciation and amortization, (ii) income taxes, (iii) interest expense and (iv) other items which would be capitalized under GAAP, such as, tenant allowances and property improvements.

(c) Reductions in Management and Leasing Fee and Incentive Fee. In the event one or more Centers are no longer subject to this Agreement,

(i) the NOI Cap shall be reduced by an amount equal to the product of (x) the NOI Cap and (y) the percentage for such Center as set forth in the column entitled "Base Year NOI Percentage" on Exhibit B attached hereto;

(ii) the total GLA shall be reduced by an amount equal to the allocated GLA for each Center no longer subject to this Agreement as set forth on the column entitled "Allocated GLA" on Exhibit B attached hereto; and

(iii) the Net Operating Income for any such Center shall be excluded from the calculation of the Base Period Net Operating Income and all subsequent years for purposes of determining the Incentive Fee.

2.2 Payment of Fees.

(a) Management and Leasing Fee. The annual Management and Leasing Fee payable to Property Manager pursuant to this Agreement shall be paid by Owners to Property Manager in equal monthly installments in advance on the first day of each calendar month; provided, however, in the event the GLA is reduced pursuant to this Agreement, the annual Management and Leasing Fee shall be adjusted accordingly and subsequent monthly payments for that current calendar year following such reduction shall equal the product of (x) $1 and (y) the adjusted GLA divided by 12.

(b) Incentive Fee. The Incentive Fee shall be payable annually on or before March 1 of each calendar year.

3. RESPONSIBILITIES OF PROPERTY MANAGER.

3.1 Management Standards. Subject to the availability of funds, Property Manager will operate, manage and maintain the Centers in a manner consistent with the current standards, practices, policies, and procedures now in effect and which have historically been in effect and used in the management and operation of Tanger Factory Outlet Shopping Centers (the "Management Standard"). Property Manager shall (i) act with due care in Property Manager's management of Owners' funds and property and (ii) avoid conflicts of interest or self-dealing; provided, Owners acknowledge that Property Manager owns and manages other retail shopping centers and nothing herein will

affect, limit or restrict its continued ownership and management of those and additional Centers except as expressly provided in Section 7.8 hereof. In carrying out its responsibilities under the Management Standard, Property Manager shall act in a (i) fiduciary capacity with respect to funds of Owners in its possession and (ii) commercially reasonable manner to do the following on behalf of Owners:

(a) Operations. Enter into contracts with and supervise persons or firms providing maintenance, repair, custodial and trash removal services for common areas of the Center including the sidewalks, parking lots, landscaped areas and public bathrooms; provided, however, Property Manager shall not enter into any such contracts not cancellable on 30 days' notice without Owners prior written consent. All expenditures under such contracts shall be consistent with the approved Operating Budget. All contracts shall be assignable to Owners' nominee and, if this Agreement is terminated pursuant to Section 6, Property Manager shall, at Owners' discretion, assign to the applicable Owner or Owner's nominee all service and other contracts pertaining to the relevant Centers. Owners, at their cost and expense, shall acquire and maintain for the benefit of Owners (and Property Manager as an additional named insured) public liability insurance and fire and extended coverage insurance on the improvements which are part of the Centers in amounts to be determined by Owners. At any Owner's request, Property Manager shall remit premiums for such insurance coverage as part of the services provided by Property Manager.

(b) Marketing. Enter into contracts with and assist and supervise persons and firms providing advertising services for the Centers through newspapers, brochures, radio, television, billboards and other promotional avenues. Property Manager provides services customarily provided by outside advertising agencies and shall be paid compensation therefor on a monthly basis a marketing fee in an amount equal to fifteen percent (15%) of all of the expenditures incurred for the marketing, advertising and promotion of the Centers, but only to the extent paid from a marketing fund consisting of funds collected from tenants or contributed by Owner, at its election, pursuant to an approved Operating Budget. No fee shall be otherwise payable by Owners to Property Manager in connection with the performance of such marketing activities.

(c) Leasing.

(i) Solicit replacement tenants for vacant retail space in the Centers, solicit extensions of leases by existing tenants by renewal leases or modifications of leases, negotiate replacement or renewal leases, supervise the preparation and execution of a standard form of lease approved by Owners (including any modifications thereof approved by Owners) and coordinate any legal services required in connection with the negotiation and execution of leases on the standard form lease. Property Manager will submit the economic terms of each proposed lease to Owner for approval (an "Economic Approval Request"), which approval may be given or withheld in Owner's sole discretion. A lease substantially in the form of the lease approved by Owners for the Centers which contains (x) economic terms consistent with the economic terms described in the Economic Approval Request and (y) does not impose any other material obligations on the relevant Owner, shall be deemed approved by such Owner. Owners will use diligent effort to execute and return such lease executed by the prospective tenant to Property Manager within seven business days. Property Manager shall use diligent efforts to collect (but makes no guarantee with respect to such collection) all rents (including percentage rentals and escalation billings resulting from tenant participation in increases in expenses, taxes and common area maintenance charges) and other charges which may become due at any time from any tenant or from others for services provided in connection with or for the use of any Center or any portion thereof. Property Manager may not terminate any lease, lock out a tenant, institute suit for rent or for the possession of the premises without prior written approval of the Owners.

(ii) Owners will approve a standard form of lease for use in leasing retail space within the Centers and any modifications thereto with respect to a particular location within a Center. All leases must be signed, or

approved in writing, by the applicable Owner. Property Manager shall not be responsible for and Owners shall pay the charges of all persons and firms contracted with and/or retained by Property Manager to provide services in the operation of the Centers other than Property Manager's customary employees who are not located at the Centers so long as such charges are reflected on the Operating Budget. With the approval of Owners, Property Manager may engage the services of attorneys selected by Property Manager to represent Owners in connection with the Property Manager's leasing and collection activities for the Centers. Owners shall be responsible for and shall promptly pay the fees charged and costs advanced by such legal counsel.

(d) Repairs. Subject to the annual Operating Budget, Property Manager shall supervise, coordinate and administer the making and supervision of all ordinary and extraordinary repairs, alterations and decorations of the Centers.

(e) Accounting; Financial. Property Manager shall pay bills and generate statements/reports as follows (or reports generated by Property Manager's property management system from time to time and which contain substantially similar information):

Statement/Report	Delivery Schedule
Rent Roll consisting of Monthly Tenant Charges	Monthly - 10th business day following end of calendar month
Tenant Aged Delinquency Report	Monthly - 10th business day following end of calendar month
Monthly and Quarterly Balance Sheet	Monthly - 10th business day following end of calendar month Quarterly - 10th business day following end of each fiscal quarter
Monthly and Year-to-Date Actual vs Budget Income Statement - Summary	Monthly - 10th business day following end of calendar month
Monthly and Year-to-Date Actual vs Budget Income Statement - Detailed month	Monthly - 10th business day following end of calendar
Monthly and Year-to-Date Comparative Sales Report	Monthly - 10th business day following end of calendar month
Monthly Expense Distribution Report (Check Register)	Monthly - 10th business day following end of calendar month
Proposed Business Plan for Next calendar Year	No later than November 1 for the following year commencing with January 1
Quarterly Operating Statements (showing quarterly activity, year-to-date activity and stating operating revenues, operating expenses, capital expenditures, net operating income and net cash flow for the Centers for the calendar quarter just ended	Within 45 days following the end each calendar quarter
Annual Reporting - Current balance sheet, a detailed operating statement stating operating revenues, operating expenses, capital expenditures, net operating income and net cash flow for the Centers	Within 60 days following the end of each fiscal year
Such additional information regarding the Centers that Owners may reasonably request and Property Manager can reasonably obtain	Within 30 days after Owners'request

(f) Compliance With Laws. To the extent it receives notice thereof or has knowledge thereof, Property Manager shall be responsible for alerting Owner as to any violation of federal, state and municipal laws, ordinances, regulations and orders relative to the renting, use, operation, repair and maintenance of the

Centers and with the rules, regulations or orders of the local Board of Fire Underwriters or other similar body (collectively, "Applicable Laws"). Property Manager will use all commercially reasonable efforts to ensure that the Centers comply with Applicable Laws. Property Manager shall not in the performance of its services hereunder violate the terms of any mortgage, deed of trust or other security instrument binding on or affecting the Centers, but Property Manager shall not be required to make any payment or incur any liability in order to comply with the terms or conditions of any such mortgage, deed of trust or other security instrument and Property Manager shall in no event be liable in any respect to Owner's lender(s) and shall have no liability to any party in respect to any amounts owed by Owner to its lender(s), except in connection with those loan documents to which Property Manager is a direct party.

(g) Insurance. Property Manager shall secure and maintain, at its sole cost and expense, with one or more insurance companies, satisfactory to Owners workers' compensation and employer's liability insurance covering all employees of Property Manager in accordance with the laws of the state in which the Centers are located and Property Manager shall furnish satisfactory evidence of the foregoing insurance to Owners.

4. PROPERTY PERSONNEL.

4.1 Property Personnel. Property Manager shall hire, employ, compensate, supervise and discharge all employees required in connection with the operation and management of the Center. All such personnel shall, in every instance, be employees of Property Manager or a subsidiary or affiliate of Property Manager. Property Manager shall be solely responsible for the recruiting, hiring, training and supervising of all Center staff. Property Manager shall take such actions as may be necessary to comply with the provisions of wage, hour, safety, health, income tax, social security, unemployment compensation, workman's compensation and similar laws, regulations and requirements relating to the Center staff. The "Operating Budget" (as defined below) shall include as a line item the salary and benefits of such employees which are to be paid or reimbursed to Property Manager and the payment of such salaries and benefits shall be at Owners' expense. Employees of the Centers may include the following:

(a) Center Manager. To increase sales and traffic at the Centers through: management of the physical facility; implementation of the marketing plan; providing the shopper a pleasant shopping environment; and development of positive and productive relationships with vendors, tenants, shoppers and the local community.

(b) Operations/Assistant Manager. To manage the operation of the physical facility and ensure customers are provided with customer service under the direction of the Center Manager. The Assistant Manager will assist Center Manager in managing the center and share the responsibility for operations and marketing. The Assistant Manager supports the activities by assisting with supervising maintenance, office support, customer service and implementing marketing efforts.

(c) Administrative Assistant. Provide administrative support to the Center Manager by assisting with the implementation of operations efforts and marketing activities.

(d) Customer Service Representative. To assist customers with questions or problems to ensure a pleasant shopping experience and perform general office duties.

(e) Maintenance Staff. To maintain the cleanliness and good operating order of the Center. This involves basic janitorial duties, repairs, preventative maintenance and support for promotional programs.

(f) Trolley Driver. To provide customers with transportation between stores and answer questions thereby ensuring a pleasant shopping experience.

4.2 Off-site Personnel. Owners shall not be responsible for the payment of any salaries or benefits in connection with off-site personnel of Property Manager, including without limitation, general management personnel, accountants (except if there is no on-site accountant) and auditors (except for third party auditors hired to prepare statements for the Centers).

5. OPERATING BUDGETS; BUSINESS PLANS AND OPERATING ACCOUNTS

5.1 Operating Budgets and Business Plan.

(a) Property Manager shall on or before November 1st of each calendar year, prepare and submit to Owners for approval a proposed Business Plan for the ensuing calendar year. The Business Plan

shall include, without limitation, each of the following items containing the most current information with regard thereto then available: (i) a comprehensive survey of the market in which each Center is competing, (ii) a detailed description of the renovation, refurbishment, maintenance, repair and management of the Centers, including, without limitation, any planned or required improvements to the Centers, (iii) a forecast of the capital spending requirements of each Owner for the succeeding three year period, (iv) a detailed Operating Budget, (v) a detailed marketing report, and (vi) a detailed Income Projection.

(b) Following receipt of the proposed Business Plan, Owners shall deliver a notice to Property Manager either approving such Business Plan or stating any objections to any information contained in or omitted from such Business Plan and setting forth the nature of such objection. Upon receipt of such notice, Owners and Property Manager shall in good faith attempt to resolve any differences with respect to the proposed Business Plan.

(c) If a Business Plan for any calendar year has not been approved by January 1st of that year, Property Manager shall continue to operate the Centers under the Business Plan for the previous year until a new Business Plan is approved by Owners, with such adjustments to the Operating Budget contained therein as may be necessary to reflect approved contracts or leases, deletion of non-recurring expense items set forth on the previous Operating Budget and increased insurance costs, taxes, utility costs and debt service payments.

(d) Property Manager shall operate the Centers under annual Operating Budgets which shall be prepared and submitted by Property Manager to Owners for approval.

(e) For purposes of this Agreement:

(i) "Business Plan" means the annual plan to be adopted by Owners for the renovation, refurbishment, operating, marketing, leasing, refinancing and/or disposition of the Centers, which shall include and incorporate the Operating Budget and Income Projection prepared in form and manner consistent with Property Manager's then current standards, practices, policies and procedures.

(ii) "Operating Budget" means the annual budget, prepared by the Property Manager, and approved in writing by Owners, and setting forth the estimated capital and operating expenses of Owners for the then-current or immediately succeeding fiscal year and for each month and each quarter of each such fiscal year, in such detail as Owners shall require.

(iii) "Income Projection" means the projected income on a monthly and quarterly basis from all sources in connection with the use and operation of the Centers, including, but not limited to, income from rent, percentage rent, additional rent, common area maintenance reimbursement, promotion reimbursement, and other income.

5.2 Payment of Expenses. Expenses for the Center which do not exceed the projected expenses in the approved Operating Budget may be paid by Property Manager from the Operating Account for the Centers subject to the following limitations and conditions:

(a) Major Expenditures. Expenditures in excess of $10,000 (other than mortgage payments, payment for real estate taxes, utilities and insurance and payments required to be made to tenants as part of Owner's obligations under a lease or license agreement and payments of the compensation payable to Property Manager under this Agreement) shall be paid only with the prior written approval of Owner.

(b) Emergency Expenditures. Property Manager may pay an expense of up to $25,000 which is required by reason of an emergency although the expense is not included within the approved Operating Budget provided Property Manager has been unable to contact Owner after reasonable efforts and provided that Property Manager continuously endeavors by reasonable efforts to keep Owner informed of the nature of the emergency and the necessity of each such expenditure. All costs of ownership and operation of the Centers shall be borne by Owners. In performing its duties hereunder, Property Manager shall not be obligated to expend or advance any of its own funds and shall be excused from such duties which involve (i) an expenditure that is not in the approved Operating Budget or otherwise approved by Owners or (ii) any expenditure if there are not sufficient funds in the

Operating Accounts to pay it.

5.3 Operating Account; Security Deposit Account.

(a) Property Manager shall maintain an operating account (the "Operating Account") in a bank having an office in Greensboro, North Carolina selected by Owners (the "Bank"). The Operating Account shall be in the name of, and the property of, Owners and shall be solely for the deposit of monies belonging to Owners and not for deposit for monies of Property Manager or others. The signature of an officer (two officers for withdrawals of over $5,000.00) or the authorized signature(s) of a manager or agent of Owners shall be required for withdrawal of monies from the Operating Account. The names of such officers of Property Manager shall be promptly furnished to Owners. Property Manager is authorized to maintain one or more lockboxes for receipt of income from the Centers.

(b) On or before the tenth (10th) day of each calendar month, Property Manager shall remit to Owners (or otherwise pursuant to written instructions from Owners) all funds on hand in the Operating Account as of the last day of the immediately preceding month less the Reserve (as defined below) and any other funds designated by Owner to be retained in the Operating Account. Unless otherwise agreed by Owners and Property Manager, the Property Manager shall retain an amount (the "Reserve") in the Operating Account equal to at least $50,000.00 per Center plus (i) expected expenditures within the next 30 days for approved capital projects (including tenant improvement allowance), insurance premiums and real estate taxes, (ii) tenant security deposits, and (iii) mortgage payment if Property Manager is responsible for making such payment. Without the prior written approval of Owners, Property Manager shall retain no funds in the Operating Account other than the Reserve and any other funds designated by Owners to be retained in the Operating Account and those collected subsequent to the last day of the immediately preceding month.

(c) Notwithstanding the foregoing, (i) Property Manager agrees to abide by the terms of any loan in connection with the Centers and deposit all funds received by Property Manager in connection with the operation of the Centers to the extent required by the terms of the underlying loan agreement and (ii) Property Manager shall prepare all financial and property related reports for delivery to any lender as required pursuant to the terms of any loan affecting the Centers.

6. TERMINATION

6.1 Owner's Rights of Termination. Notwithstanding anything to the contrary contained in this Agreement, Owners may terminate this Agreement immediately upon written notice to Property Manager upon the occurrence of any of the following events which shall be referred to as a "Property Manager Event of Default":

(a) Property Manager's failure to observe or perform any or all of the material covenants and provisions of this Agreement which involves the misapplication of funds, willful misconduct, fraud or a breach of a fiduciary duty;

(b) the occurrence of a "Minimum Return Failure Event" (as defined in the Limited Liability Company Agreement of COROC Holdings L.L.C. dated as of October 3, 2003) has occurred;

(c) filing of a petition for bankruptcy by or against Property Manager, or in the event that Property Manager shall make an assignment for the benefit of creditors or take advantage of any insolvency act;

(d) violation by Property Manager or any affiliate of the radius restrictions more particularly described in Section 7.8; and

(e) failure by Property Manager to observe or perform any or all of monetary covenants and provisions of this Agreement upon ten (10) days' written notice delivered to Property Manger or failure to observe or perform any other material covenant and provision of this Agreement if Property Manager has not cured such default within 30 days of written notice from Owner or such default has not been waived by Owner within such 30 day period.

6.2 Property Manager's Right of Termination. Notwithstanding anything to the contrary contained in this Agreement, Property Manager may terminate this Agreement upon the occurrence of any of the following events which events are herein referred to as "Owner Event of Default":

(a) failure by any Owner to observe or perform any or all of the non-monetary covenants and provisions of this Agreement within thirty (30) days after written notice of such default, if such Owner has not cured such default within 30 days of written notice from Property Manager or such default has not been waived by Property Manager within such 30 day period;

(b) failure by any Owner to observe or perform any or all of the monetary covenants and provisions of this Agreement upon ten (10) days' written notice delivered to such Owner, including but not limited to failure to pay expenditures which are in the Operating Budget or which have otherwise been approved by Owners (this grace period is not in addition to but is co-existent with any other applicable grace period provided in this Agreement); and

(c) filing of a petition for bankruptcy by or against any Owner, or in the event that any Owner shall make an assignment for the benefit of creditors or take advantage of any insolvency act.

6.3 Mutual Termination Rights.

(a) Either party may terminate this Agreement upon written notice to the other (i) upon a sale or other disposition of all of the Centers, (ii) if COROC Holding, L.L.C., directly or indirectly, ceases to own at least 50% of the outstanding membership interest of Owner whether through a sale or otherwise, or (iii) otherwise as set forth in this Agreement.

(b) Either party may terminate this Agreement upon written notice to the other as it relates to one or more Centers upon a sale or other disposition of any such Center. In the event this Agreement is terminated as it relates to one or more Center, such Center shall be deemed deleted from this Agreement for all purposes and except for such modification, this Agreement shall remain in full force and effect.

6.4 Final Accounting. Upon termination of this Agreement for any reason, Property Manager shall deliver to Owners within 60 days of termination the following documentation with respect to the Centers:

(a) A final accounting, reflecting the balance of income and expenses of the Property as of the date of termination or withdrawal;

(b) Any balance of monies of Owners or tenant security deposits, or both, held by Property Manager with respect to the Centers; and

(c) All records, contracts, leases, receipts for deposits, unpaid bills or other papers or documents which pertain to the Centers.

7. MISCELLANEOUS PROVISIONS

7.1 Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to Property Manager, to:

Tanger Properties Limited Partnership
3200 Northline Avenue, Suite 360
P.O. Box 10889 Greensboro, North Carolina 27408
Attention: Mr. Steven B. Tanger

If to Owners, to:

---
c/o Blackstone Real Estate Acquisitions
345 Park Avenue, 32nd Floor
New York, New York 10154
Attention: Mr. Gary M. Sumers

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above (using any other means, including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

7.2 Relationship. Notwithstanding anything to the contrary contained herein, Property Manager shall be an independent contractor performing management functions for Owners but shall, at all times, be subject to the provisions of this Agreement with respect to managerial decisions. Nothing herein shall create an agency coupled with an interest.

7.3 Insufficient Income. If at any time the cash in the Operating Account for the Centers shall not be sufficient to pay the bills and charges incurred in connection with the operation of the Centers, Property Manager shall notify Owners immediately of such condition or the potential of such condition. Property Manager shall also provide to Owners a sources and uses statement to document such cash shortages and Owners shall provide sufficient monies to eliminate such cash shortage.

7.4 Limited Liability. This Agreement and all documents, agreements, understandings and arrangements relating to this transaction have been negotiated, executed and delivered on behalf of Tanger Properties Limited Partnership by its authorized agent or by Tanger GP Trust, its sole general partner or officers thereof in their representative capacity and not individually, and bind only Tanger Properties Limited Partnership. No employee, agent, officer, partner or shareholder of Tanger Properties Limited Partnership, Tanger GP Trust or Tanger Factory Outlet Centers, Inc. shall be bound or held to any personal liability in connection with the obligations of Tanger Properties Limited Partnership hereunder, and any person or entity dealing with Tanger Properties Limited Partnership in connection therewith shall look solely to Tanger Properties Limited Partnership for the payment of any claim or for the performance of any obligation hereunder. The foregoing shall also apply to any future documents, agreements, understandings, and arrangements which may relate to this transaction.

7.5 State Law. This Agreement shall be construed, interpreted and applied in accordance with, and shall be governed by, the laws of the State of Delaware, except with respect to local law applicable to Property Manager's authority to conduct business or business practices in connection with the management of the Centers.

7.6 Assignment.

(a) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Property Manager and Owners and their respective successors and permitted assigns.

(b) Assignment by Owner. Owners may assign its rights and obligations under this Agreement to any successor person or entity to the entity currently constituting Owner, any person who shall acquire all or substantially all of Owners' assets and any purchaser of all of the Centers. If any such successor entity assumes all obligations of the Owners hereunder, Owners shall be thereafter fully relieved and fully discharged from any liability or responsibility in connection with the matters set forth in this Agreement arising on and after the later of (i) the date of such assignment and assumption, or (ii) the date Property Manager is notified in writing of such assignment and assumption.

(c) Assignment by Property Manager. Property Manager may not assign this Agreement without the prior written consent of Owners, provided that so long as Property Manager remains primarily responsible, Property Manager may without Owners' prior written consent, subcontract, at no additional cost to Owners, with any affiliate of Property Manager for the performance of any of the services to be performed by Property Manager hereunder. The transfer of a majority in interest of the voting stock or general partnership interests in Property Manager or any material change in the individuals having operating responsibility for Property Manager shall not be deemed an assignment of this Agreement.

7.7 Approval. When agreement, approval or consent of Owners is required under the terms of this Agreement, such agreement, approval or consent shall not be unreasonably withheld, conditioned or delayed. Any request for agreement, approval or consent of Owner shall be directed by Property Manager to an officer of Owners. The Owners may designate one of its officers as a representative of Owners with respect to this Agreement. Property Manager shall be entitled to rely upon communications to and from that designated officer until Property Manager receives written notice from Owners of the election or appointment of another or a successor officer as the representative of Owners with respect to this Agreement.

7.8 Non-Competition. Property Manager hereby agrees that neither Property Manager nor any Affiliate of Property Manager shall, directly or indirectly, develop, finance, operate, manage or acquire any direct or indirect interest in any retail outlet shopping center (other than the existing center located in Myrtle Beach, South Carolina) located

within a 15 mile radius of the Center (a "Competing Center") without the prior written consent of the Owner.

7.9 Subsidiaries and Affiliates. Property Manager shall not engage or pay any compensation to any affiliate or subsidiary of Property Manager for the provision of goods or services in connection with this Agreement unless (a) such party is fully qualified and experienced to provide the required goods or services, (b) both the scope of services and the compensation payable to such affiliate or subsidiary for the goods or services are consistent with then current market standards for arm's length transactions, (c) Property Manager discloses such engagement to Owners as a transaction with an affiliate or subsidiary of Property Manager, and (d) Owners, in its sole and absolute discretion approves such engagement in writing.

7.10 Amendments. This Agreement may not be changed, modified or amended, except by a written instrument executed by Property Manager and Owners.

7.11 Representation. Property Manager represents and warrants that it is fully qualified and licensed, to the extent required by local law, to manage real estate and perform all of its duties and obligations hereunder.

7.12 Enforceability. If any provision of this Agreement or the application of any provision to any person or circumstances is held invalid or unenforceable, the remainder, and the application of that provision to other persons or circumstances, shall remain valid and enforceable, to the extent permitted.

7.13.Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.14 Subordination. To the extent required by any lender loaning money to the Centers, Owners and Property Manager agree that any rights with respect to the real property on and in which the Centers are operated arising by reason of this Agreement shall in all respects be and is hereby expressly made subordinate and inferior to the liens and/or security interests of any mortgage or deed of trust hereafter, from time to time, encumbering all or any portion of the Centers, together with all other instruments securing payment of the indebtedness secured by such mortgage or deed of trust and all amendments, modifications, supplements, extensions and revisions of such mortgage, deed of trust and such other instruments (collectively, "Mortgage"). Property Manager shall execute any and all subordination agreements, estoppel certificates and other documents required by the lender under any such indebtedness secured by the Centers to further evidence the subordination of Property Manager's rights with respect to the real property to any such Mortgage. Compensation paid and payable to Property Manager under this Agreement in the ordinary course of business shall not be subordinate in any manner to the payment of the indebtedness evidenced by such Mortgage. Failure to pay such compensation to Property Manager shall constitute an Owner Event of Default even if resulting from action or failure to act by the holder of any such Mortgage and Property Manger shall be entitled to exercise any rights and remedies available hereunder upon such Owner Event of Default.

7.15 Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer upon other third parties any remedy, claim, reimbursement, cause of action or other right.

7.16 No Recording. Neither this Agreement nor any memorandum or notice of this Agreement may be recorded by Property Manager without the prior written consent of Owners.

7.17 No Interest in Real Estate. Notwithstanding anything to the contrary contained herein, Property Manager acknowledges and agrees that nothing stated in this Agreement shall vest Property Manager with an interest in real property, including a leasehold estate therein, and all rights to the use or possession of any Center and the real estate shall automatically terminate upon the termination of this Agreement.

7.18 ERISA Matters. The parties acknowledge that Owners are indirect subsidiaries of an entity (the "Parent") that is intended to qualify as a "real estate operating company" (a "REOC") within the meaning of the U.S. Department of Labor plan asset regulation (Section 2510.3-101, Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations) and that it is intended that Owners will have the right, pursuant to this Agreement, to substantially participate directly in the management and development of the Centers. Without limiting the generality of the foregoing, notwithstanding any other provision of this Agreement, and without prejudice to the other rights provided to

Owners under this Agreement, Property Manager agrees (i) to permit Owners to visit and inspect the Centers and inspect and copy the books and records of the Centers, at such times as Owners shall reasonably request; (ii) to periodically (at least quarterly) provide Owners with information and reports regarding Property Manager's operation and management of the Centers and the performance of its duties under this Agreement; (iii) to periodically (at least quarterly) consult with Owners with respect to the operation and management of the Centers and the performance of Property Manager's duties under this Agreement and (iv) to provide Owners with such other rights of participation in the management or development of the Centers as may reasonably be determined by Owners to be necessary to enable the Parent to qualify as a REOC, provided such additional rights do not materially adversely affect Property Manager's ability to perform its duties under this Agreement or the economic benefits enjoyed by Property Manager under this Agreement. Property Manager agrees to consider, in good faith, the recommendations of Owners in connection with the matters on which it is consulted as described above.

[Execution on subsequent pages]

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

PROPERTY MANAGER
TANGER PROPERTIES LIMITED PARTNERSHIP
a North Carolina limited partnership

By: Tanger GP Trust, its sole general partner

By: _____
Name:
Title:

OWNERS

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements Nos. 333-61394 and 333-61394-01 of Tanger Factory Outlet Centers, Inc. on Form S-3, as amended by the Post-Effective Amendment No. 2 on Form S-3, of our report dated December 5, 2003, appearing in this Form 8-K of Tanger Factory Outlet Centers, Inc., and to the reference to us under the heading "Experts" in the Prospectus Supplement (To Prospectus Dated August 28, 2002), which is part of such Registration Statements.

/s/ DELOITTE & TOUCHE LLP
McLean, Virginia

December 5, 2003