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

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from _________ to _________

Commission file number 1-11986 (Tanger Factory Outlet Centers, Inc.)
Commission file number 333-3526-01 (Tanger Properties Limited Partnership)

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

North Carolina (Tanger Factory Outlet Centers, Inc.)	**56-1815473**
North Carolina (Tanger Properties Limited Partnership)	**56-1822494**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3200 Northline Avenue, Suite 360	**(336) 292-3010**
Greensboro, NC 27408	(Registrant's telephone number)
(Address of principal executive offices)	

Securities registered pursuant to Section 12(b) of the Act:
Tanger Factory Outlet Centers, Inc.:

Title of each class	Name of exchange on which registered
Common Shares, $.01 par value	New York Stock Exchange

Tanger Properties Limited Partnership:
None

Securities registered pursuant to Section 12(g) of the Act:
Tanger Factory Outlet Centers, Inc.: None
Tanger Properties Limited Partnership: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Tanger Factory Outlet Centers, Inc.	Yes ☒ No ☐
Tanger Properties Limited Partnership	Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Tanger Factory Outlet Centers, Inc.	Yes ☐ No ☒
Tanger Properties Limited Partnership	Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Tanger Factory Outlet Centers, Inc.	Yes ☒ No ☐
Tanger Properties Limited Partnership	Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Tanger Factory Outlet Centers, Inc.	Yes ☒ No ☐
Tanger Properties Limited Partnership	Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer" and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Tanger Factory Outlet Centers, Inc.

☒ Large accelerated filer	☐ Accelerated filer	☐ Non-accelerated filer	☐ Smaller reporting company

Tanger Properties Limited Partnership

☐ Large accelerated filer	☐ Accelerated filer	☒ Non-accelerated filer	☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act).

Tanger Factory Outlet Centers, Inc.	Yes ☐ No ☒
Tanger Properties Limited Partnership	Yes ☐ No ☒

The aggregate market value of voting shares held by non-affiliates of Tanger Factory Outlet Centers, Inc. was approximately $3,196,018,193 based on the closing price on the New York Stock Exchange for such shares on June 30, 2013.

The number of Common Shares of Tanger Factory Outlet Centers, Inc. outstanding as of February 1, 2014 was 95,439,454.

Documents Incorporated By Reference

Part III incorporates certain information by reference from Tanger Factory Outlet Center, Inc.'s definitive proxy statement to be filed with respect to the Annual Meeting of Shareholders to be held May 16, 2014.

PART I

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2013 of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term, Company, refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term, Operating Partnership, refers to Tanger Properties Limited Partnership and subsidiaries. The terms “we”, “our” and “us” refer to the Company or the Company and the Operating Partnership together, as the text requires.

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. The Company is a fully-integrated, self-administered and self-managed real estate investment trust, ("REIT"), which, through its controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. The outlet centers and other assets are held by, and all of the operations are conducted by, the Operating Partnership and its subsidiaries. Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership.

The Company owns the majority of the units of partnership interest issued by the Operating Partnership through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. As of December 31, 2013, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 94,505,685 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 5,145,012 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

Management operates the Company and the Operating Partnership as one enterprise. The management of the Company consists of the same members as the management of the Operating Partnership. These individuals are officers of the Company and employees of the Operating Partnership. The individuals that comprise the Company's Board of Directors are also the same individuals that make up Tanger GP Trust's Board of Trustees.

We believe combining the annual reports on Form 10-K of the Company and the Operating Partnership into this single report results in the following benefits:

- enhancing investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;

- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and

- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are only a few differences between the Company and the Operating Partnership, which are reflected in the disclosure in this report. We believe it is important, however to understand these differences between the Company and the Operating Partnership in the context of how the Company and the Operating Partnership operate as an interrelated consolidated company. As stated above, the Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership through its wholly-owned subsidiaries, the Tanger GP Trust and Tanger LP Trust. As a result, the Company does not conduct business itself, other than issuing public equity from time to time and incurring expenses required to operate as a public company. However, all operating expenses incurred by the Company are reimbursed by the Operating Partnership, thus the only material item on the Company's income statement is its equity in the earnings of the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. The Company itself does not hold any indebtedness but does guarantee certain debt of the Operating Partnership, as disclosed in this report. The Operating Partnership holds all of the outlet centers and other assets, including the ownership interests in consolidated and unconsolidated joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by the Company, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates the capital required through its operations, its incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests, shareholder's equity and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The limited partnership interests in the Operating Partnership held by the Non-Company LPs are accounted for as partners' capital in the Operating Partnership's financial statements and as noncontrolling interests in the Company's financial statements.

To help investors understand the significant differences between the Company and the Operating Partnership, this report presents the following separate sections for each of the Company and the Operating Partnership:

- Consolidated financial statements;
- The following notes to the consolidated financial statements:
  - Debt of the Company and the Operating Partnership;
  - Shareholders' Equity and Partners' Equity;
  - Earnings Per Share and Earnings Per Unit;
  - Accumulated Other Comprehensive Income of the Company and the Operating Partnership;
- Liquidity and Capital Resources in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report also includes separate Item 9A. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the Operating Partnership in order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that the Company and Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

The separate sections in this report for the Company and the Operating Partnership specifically refer to the Company and the Operating Partnership. In the sections that combine disclosure of the Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that enters into contracts and joint ventures and holds assets and debt, reference to the Company is appropriate because the business is one enterprise and the Company operates the business through the Operating Partnership.

As the 100% owner of Tanger GP Trust, the general partner with control of the Operating Partnership, the Company consolidates the Operating Partnership for financial reporting purposes. The separate discussions of the Company and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

Item 1. Business

The Company and the Operating Partnership

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. We are a fully-integrated, self-administered and self-managed REIT, which focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. As of December 31, 2013, our consolidated portfolio consisted of 37 outlet centers, with a total gross leasable area of approximately 11.5 million square feet. These outlet centers were 99% occupied and contained over 2,400 stores, representing approximately 400 store brands. We also had partial ownership interests in 7 outlet centers totaling approximately 1.7 million square feet, including 3 outlet centers in Canada.

Our centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership and subsidiaries. The Company owns the majority of the units of partnership interest issued by the Operating Partnership, through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest.

As of December 31, 2013, the Company, through its ownership of the Tanger GP and Tanger LP Trusts, owned 94,505,685 units of the Operating Partnership and the Non-Company LPs collectively owned 5,145,012 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

Ownership of the Company's common shares is restricted to preserve the Company's status as a REIT for federal income tax purposes. Subject to certain exceptions, a person may not actually or constructively own more than 4% of our common shares. We also operate in a manner intended to enable us to preserve our status as a REIT, including, among other things, making distributions with respect to our then outstanding common shares and preferred shares, if applicable, equal to at least 90% of our taxable income each year.

The Company is a North Carolina corporation that was incorporated in March 1993 and the Operating Partnership is a North Carolina partnership that was formed in May 1993. Our executive offices are currently located at 3200 Northline Avenue, Suite 360, Greensboro, North Carolina, 27408 and our telephone number is (336) 292-3010. Our website can be accessed at *www.tangeroutlet.com.* A copy of our 10-Ks, 10-Qs, 8-Ks and any amendments thereto can be obtained, free of charge, on our website as soon as reasonably practicable after we file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this annual report on Form 10-K or any other report or document we file with or furnish to the SEC.

Recent Developments

Acquisition of Rental Property

Deer Park, Long Island, New York

In October 2003, we and two other owners each having a 33.3% ownership interest, established a joint venture to develop and own a shopping center in Deer Park, New York ("Deer Park"). In August 2013, Deer Park successfully negotiated new financing of the debt obligations for the previous mortgage and mezzanine loans totaling approximately $238.5 million, with a $150.0 million mortgage loan. The new five year mortgage loan bears interest at a 150 basis point spread over LIBOR. The previous mortgage and mezzanine loans were in default, and as part of the refinancing, all default interest associated with the loans was waived. Utilizing funding from our existing unsecured lines of credit, we loaned approximately $89.5 million at a rate of LIBOR plus 3.25% and due on August 30, 2020 to Deer Park representing the remaining amount necessary to repay the previous mortgage and mezzanine loans. As a result of the refinancing, Deer Park recorded a gain on early extinguishment of debt of approximately $13.8 million. Our share of this gain along with our share of the income from the settlement of a lawsuit by Deer Park with a third party totalled approximately $7.8 million, which has been included in equity in earnings (losses) of unconsolidated joint ventures in the consolidated statement of operations for the year ended December 31, 2013.

On August 30, 2013, we acquired an additional one-third interest in the Deer Park property from one of the other owners, bringing our total ownership to a two-thirds interest, for total consideration of approximately $27.9 million, including $13.9 million in cash and 450,576 in Class A common limited partnership units of Tanger Properties Limited Partnership, which are exchangeable for an equivalent number of the Company's common shares. This transaction was accounted for as a business combination resulting in the assets acquired and liabilities assumed being recorded at fair value as a result of the step acquisition. The fair value of the net assets acquired totaled $83.8 million, consisting of $319.4 million in rental property and lease related intangibles, $2.3 million in other identifiable assets and liabilities, and $237.9 million in debt. Upon acquiring an additional one-third interest, we determined, based on the acquisition agreement and other transaction documents which amended our rights with respect to the property and our obligations with respect to the additional one-third interest, that we control the property assets and direct the property’s significant activities and therefore, consolidate the property ’s assets and liabilities as of August 30, 2013.

Following the acquisition, we and the noncontrolling interest restructured certain aspects of our ownership of the property, whereby we receive substantially all of the economics generated by the property and have substantial control over the property's financial activities. Under the new structure, we serve as property manager and control the management, leasing, marketing and other operations of the property. In addition, we and the noncontrolling interest have entered into an agreement whereby they may require us to acquire their ownership interest in the property on the second anniversary of the acquisition date for a price of $28.4 million, and we have the option to acquire their ownership interest on the fourth anniversary of the acquisition date at the same price.

The Deer Park center offers over 90 brand name and designer outlet stores, approximately 10 restaurants, and a 16 screen movie theater which serve the 18 million people that reside within a 60 mile radius.

Rental Property Development

Foxwoods, Connecticut

In September 2013, we broke ground on Tanger Outlets at Foxwoods located at Foxwoods Resort Casino in Mashantucket, Connecticut. We own a controlling interest in the project, which will be consolidated for financial reporting purposes. The approximately 314,000 square foot center will feature approximately 80 brand name and designer outlet stores and will be suspended above ground to join the resort's two casino floors, which attract millions of visitors each year. We currently expect the property to open in the second quarter of 2015.

Grand Rapids, Michigan

We also intend to develop an approximately 350,000 square foot wholly-owned outlet center in the Grand Rapids, Michigan market. The site is located 11 miles south of downtown Grand Rapids at the southwest quadrant of US-131 and 84th Street in Byron Center, Michigan with visibility from both roads. The center will be located approximately 30 miles east of Lake Michigan and its lakeside communities that are frequented by vacationers. Currently, we estimate the center will open in the second half of 2015.

Current Portfolio Expansions

During 2013, we completed two expansions at existing properties within our wholly-owned portfolio. In April, we expanded Tanger Outlets Gonzales in Gonzales, Louisiana by approximately 40,000 square feet, bringing the center's total gross leasable area to approximately 319,000 square feet. In September, we expanded Tanger Outlets Sevierville in Sevierville, Tennessee by approximately 20,000 square feet, bringing the center's total gross leasable area to approximately 438,000 square feet.

Unconsolidated Joint Venture Development

National Harbor, Washington D.C. Metro Area

In November 2013, we and our 50/50 joint venture partner hosted the grand opening of Tanger Outlets National Harbor. Located within the National Harbor waterfront resort in the Washington D.C. metropolitan area, the center is accessible from I-95, I-295, I-495, and the Woodrow Wilson Bridge. The nation's capital welcomes approximately 33 million tourist visitors annually. The center includes approximately 336,000 square feet and features approximately 80 brand name and designer outlet stores.

RioCan Canada

During 2013, our joint venture in Canada broke ground on two development projects. In May 2013, construction commenced on Tanger Outlets Ottawa, the first ground up development of a Tanger Outlet Center in Canada. Ottawa is the nation's capital and its fourth largest city, with 1.2 million residents and 7.5 million annual visitors. Located in suburban Kanata off the TransCanada Highway (Highway 417) at Palladium Drive, the 303,000 square foot center will feature approximately 80 brand name and designer outlet stores and is currently expected to open in time for the 2014 holiday shopping season.

Also in May 2013, the joint venture broke ground on a major expansion and renovation of Tanger Outlets Cookstown. The project will expand the 156,000 square foot property, which was acquired in December 2011, to nearly double its size to approximately 310,000 square feet when complete. Currently expected to be a holiday 2014 opening, the project will expand the property's tenancy by approximately 35 new brand name and designer outlet stores, while creating an updated exterior for the existing space consistent with that of the expansion. Cookstown is 30 miles north of the Greater Toronto Area directly off Highway 400 at Highway 89. This region is a well-traveled year round vacation area where visitors enjoy snow skiing in the winter and lakeside activities in the summer.

Charlotte, North Carolina

In September 2013, we and our 50/50 joint venture partner broke ground on a new outlet center in the Charlotte, North Carolina market. The center will be located eight miles southwest of uptown Charlotte at the interchange of I-485 and Steele Creek Road (NC Highway 160), two major thoroughfares for the city. The approximately 400,000 square foot project will feature approximately 90 brand name and designer outlet stores and is expected to open during the third quarter of 2014.

Savannah, Georgia

In January 2014, we announced our plans to develop Tanger Outlets Savannah through a joint venture arrangement. The center will include approximately 385,000 square feet and feature approximately 90 brand name and designer outlet stores. In January 2014 we purchased the land on which the center is being developed for $12.9 million and contributed it to the joint venture in February 2014. As of the date of this filing our equity contributions totaled $17.1 million and our partner's equity contribution totaled $7.4 million. The site is located on I-95, just north of I-16 in Pooler, Georgia, adjacent to the City of Savannah, and near the Savannah International Airport. We expect the center's location to capitalize on the Tanger Outlets brand equity in the region and to provide marketing and management synergies with our centers in Charleston, Hilton Head, and Myrtle Beach, South Carolina; and Commerce and Locust Grove, Georgia.

Other Potential Future Developments and Asset Dispositions

As of the date of this filing, we are in the initial study period for potential new developments, including sites located in Columbus, Ohio; and Scottsdale, Arizona; as well as planned expansions of existing centers in Park City, Utah; Branson, Missouri and Glendale, Arizona. The Columbus site and the Glendale expansion, if developed, will be undertaken by joint ventures. We may also use joint venture arrangements to develop other potential sites. There can be no assurance, however, that these potential future developments will ultimately be developed.

In the case of projects to be wholly-owned by us, we expect to fund these projects from amounts available under our unsecured lines of credit, but may also fund them with capital from additional public debt and equity offerings. For projects to be developed through joint venture arrangements, we may use collateralized construction loans to fund a portion of the project, with our share of the equity requirements funded from sources described above.

From time to time, we may sell one or more outlet centers that do not meet our long-term investment criteria. As of the date of this filing, we are marketing 5 outlet centers for sale. We have not entered into a binding contract and have not obtained approval from our Board of Directors to sell the outlet centers, thus we can give no assurance that the sales will be completed. Proceeds generated by these asset sales, if completed, will be used to fund the development projects discussed above, pay down outstanding debt and/or for other general corporate purposes.

Financing Transactions

$150.0 Million Derivative Transactions

In October 2013, we entered into interest rate swap agreements to reduce our floating rate debt exposure by locking the interest rate on the $150.0 million mortgage we assumed as part of the Deer Park acquisition described above. The loan bears interest at LIBOR plus 1.50% and matures in August 2018. The interest rate swap agreements fix the base LIBOR rate at an average of 1.30%, creating a contractual interest rate for the loan of 2.80% through August 2018.

Extension of Unsecured Lines of Credit

In October 2013, we closed on amendments to our unsecured lines of credit, extending the maturity, and reducing the overall borrowing costs. The maturity of these facilities was extended from November 10, 2015 to October 24, 2017 with the ability to further extend the maturity for an additional year at our option. The annual commitment fee, which is payable on the full $520.0 million in loan commitments, was reduced from 0.175% to 0.15%, and the interest rate spread over LIBOR was reduced from 1.10% to 1.00% based on our current credit rating.

$250.0 Million Unsecured Senior Notes

In November 2013, we announced that Tanger Properties Limited Partnership, completed a public offering of $250 million in senior notes due 2023 in an underwritten public offering. The notes were priced at 98.360% of the principal amount to yield 4.076% to maturity. The notes will pay interest semi-annually at a rate of 3.875% per annum and mature on December 1, 2023.

The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $243.6 million. We used the net proceeds from the sale of the notes to repay borrowings under our unsecured lines of credit.

The Outlet Concept

Outlets are stores operated by manufacturers and brand name retailers that sell primarily first quality, branded products to consumers at significant discounts from regular retail prices charged by department stores and specialty stores. Outlet centers offer advantages to manufacturers and brand name retailers as they are often able to charge customers lower prices for brand name and designer products by eliminating the third party retailer. Outlet centers also typically have lower operating costs than other retailing formats, which enhance their profit potential. Outlet centers enable them to optimize the size of production runs while continuing to maintain control of their distribution channels.

We believe that outlet centers will continue to present attractive opportunities for capital investment in the long-term. We further believe, based upon our contacts with present and prospective tenants that many companies will continue to utilize the outlet concept as a profitable distribution vehicle. However, due to present economic conditions and the potential for increased competition from other developers announcing plans to develop outlet centers, new developments or expansions may not provide an initial return on investment as high as has been historically achieved.

Our Outlet Centers

Each of our outlet centers carries the Tanger brand name. We believe that our tenants and consumers recognize the Tanger brand as one that provides outlet shopping centers where consumers can trust the brand, quality and price of the merchandise they purchase directly from the manufacturers and brand name retailers.

As one of the original participants in this industry, we have developed long-standing relationships with many of our tenants. Because of our established relationships, we believe we are well positioned for the long-term.

Our consolidated outlet centers range in size from 24,619 to 741,981 square feet and are typically located at least 10 miles from major department stores and manufacturer-owned, full-price retail stores. Historically, manufacturers prefer these locations so that they do not compete directly with their major customers and their own stores. Many of our outlet centers are located near tourist destinations to attract tourists who consider shopping to be a recreational activity. Additionally, our centers are often situated in close proximity to interstate highways that provide accessibility and visibility to potential customers.

We have a diverse tenant base throughout our consolidated portfolio, comprised of approximately 400 different well-known, upscale, national designer or brand name concepts, such as American Eagle, Ann Taylor, Banana Republic, Brooks Brothers, Carters, Calvin Klein, Coach Leatherware, Eddie Bauer, GAP, J. Crew, Kate Spade, Michael Kors, Nike, Old Navy, Polo Ralph Lauren, Saks Fifth Avenue - Off Fifth, Tommy Hilfiger, Under Armour and others.

No single tenant, including all of its store concepts, accounted for 10% or more of our combined base and percentage rental revenues during 2013, 2012 or 2011. As of December 31, 2013, no single tenant accounted for more than 7.8% of our leasable square feet or 5.0% of our combined base and percentage rental revenues. Because our typical tenant is a large, national manufacturer, we generally do not experience any material losses with respect to rent collections or lease defaults.

Only small portions of our revenues are dependent on contingent revenue sources. Revenues from fixed rents and operating expense reimbursements accounted for approximately 90% of our total revenues in 2013. Revenues from contingent sources, such as percentage rents, vending income and miscellaneous income, accounted for approximately 10% of our total revenues in 2013.

Business History

Stanley K. Tanger, the Company's founder, entered the outlet center business in 1981. Prior to founding our company, Stanley K. Tanger and his son, Steven B. Tanger, our President and Chief Executive Officer, built and managed a successful family owned apparel manufacturing business, Tanger/Creighton, Inc., which included the operation of five outlet stores. Based on their knowledge of the apparel and retail industries, as well as their experience operating Tanger/Creighton, Inc.'s outlet stores, they recognized that there would be a demand for outlet centers where a number of manufacturers could operate in a single location and attract a large number of shoppers.

Steven B. Tanger joined the Company in 1986, and by June 1993, the Tangers had developed 17 centers totaling approximately 1.5 million square feet. In June 1993, we completed our initial public offering, making Tanger Factory Outlet Centers, Inc. the first publicly traded outlet center company. Since our initial public offering, we have grown our portfolio through the strategic development, expansion and acquisition of outlet centers and are now one of the largest owner operators of outlet centers in the United States and Canada.

Business Strategy

Our company has been built on a firm foundation of strong and enduring business relationships coupled with conservative business practices. We partner with many of the world's best known and most respected retailers and manufacturers. By fostering and maintaining strong tenant relationships with these successful, high volume companies, we have been able to solidify our position as a leader in the outlet industry for well over a quarter century. The confidence and trust that we have developed with our retail partners from the very beginning has allowed us to forge the impressive retail alliances that we enjoy today with our brand name retailers and manufacturers.

We have had a solid track record of success in the outlet industry for the past 33 years. In 1993, Tanger led the way by becoming the industry's first outlet center company to be publicly traded. Our seasoned team of real estate professionals utilize the knowledge and experience that we have gained to give us a competitive advantage in the outlet business.

As of December 31, 2013, our consolidated outlet centers were 99% occupied with average tenant sales of $387 per square foot. Our portfolio of properties has had an average occupancy rate of 95% or greater on December 31st of each year since 1981. We believe our ability to achieve this level of performance is a testament to our long-standing tenant relationships, industry experience and our expertise in the development and operation of outlet centers.

Growth Strategy

Our goal is to build shareholder value through a comprehensive, conservative plan for sustained, long-term growth. We focus our efforts on increasing rents in our existing centers, renovating and expanding our mature centers and reaching new markets through ground-up developments or acquisitions of existing outlet centers. We expect new development to continue to be important to the growth of our portfolio in the long-term. Future centers may be wholly-owned by us or developed through joint venture arrangements.

Increasing Rents at Existing Centers

Our leasing team focuses on the marketing of available space to maintain our standard for high occupancy levels. Leases are negotiated to provide for inflation-based contractual rent increases or periodic fixed contractual rent increases and percentage rents. Due to the overall high performance of our shopping centers, we have historically been able to renew leases at higher base rents per square-foot and attract stronger, more popular brands to replace underperforming tenants.

Developing New Centers

We believe that there continue to be opportunities to introduce the Tanger brand in untapped or under-served markets across the United States and Canada in the long-term. We believe our 33 years of outlet industry experience, extensive development expertise and strong retail relationships give us a distinct competitive advantage.

In order to identify new markets across North America, we follow a general set of guidelines when evaluating opportunities for the development of new centers. This typically includes seeking locations within markets that have at least 1 million people residing within a 30 to 40 mile radius with an average household income of at least $65,000 per year, frontage on a major interstate or roadway that has excellent visibility and a traffic count of at least 55,000 cars per day. Leading tourist, vacation and resort markets that receive at least 5 million visitors annually are also closely evaluated. Although our current goal is to target sites that are large enough to support centers with approximately 90 stores totaling at least 350,000 square feet, we maintain the flexibility to vary our minimum requirements based on the unique characteristics of a site, tenant demand and our prospects for future growth and success.

In order to help ensure the viability of proceeding with a project, we gauge the interest of our retail partners first. We typically prefer to have signed leases or leases out for negotiation with tenants for at least 50% of the space in each center prior to acquiring the site and beginning construction; however, we may choose to proceed with construction with less than 50% of the space pre-leased under certain circumstances. Construction of a new outlet center has typically taken us nine to twelve months from groundbreaking to grand opening of the center.

Expanding and Renovating Existing Centers

Keeping our shopping centers vibrant and growing is a key part of our formula for success. In order to maintain our reputation as the premiere outlet shopping destination in the markets that we serve, we have an ongoing program of renovations and expansions taking place at our outlet centers. Construction for expansion and renovation to existing properties typically takes less time, usually between six to nine months depending on the scope of the project.

Acquiring Centers

As a means of creating a presence in key markets and to create shareholder value, we may selectively choose to acquire individual properties or portfolios of properties that meet our strategic investment criteria. We believe that our extensive experience in the outlet center business, access to capital markets, familiarity with real estate markets and our management experience will allow us to evaluate and execute our acquisition strategy successfully over time. Through our tenant relationships, our leasing professionals have the ability to implement a remerchandising strategy when needed to increase occupancy rates and value. We believe that our managerial skills, marketing expertise and overall outlet industry experience will also allow us to add long-term value and viability to these centers.

Operating Strategy

Increasing cash flow to enhance the value of our properties and operations remains a primary business objective. Through targeted marketing and operational efficiencies, we strive to improve sales and profitability of our tenants and our outlet centers as a whole. Achieving higher base and percentage rents and generating additional income from temporary leasing, vending and other sources also remains an important focus and goal.

Leasing

The long-standing retailer relationships that we enjoy allow us the ability to provide our shoppers with a collection of the world's most popular outlet stores. Tanger customers shop and save on their favorite brand name merchandise including men's, women's and children's ready-to-wear, lifestyle apparel, footwear, jewelry and accessories, tableware, housewares, luggage and domestic goods. In order for our centers to perform at a high level, our leasing professionals continually monitor and evaluate tenant mix, store size, store location and sales performance. They also work to assist our tenants through re-sizing and re-location of retail space within each of our centers for maximum sales of each retail unit across our portfolio.

Marketing

Our marketing plans deliver compelling, well-crafted messages and enticing promotions and events to targeted audiences for tangible, meaningful and measurable results. Our plans are based on a basic measure of success - increase sales and traffic for our retail partners and we will create successful centers. Utilizing a strategic mix of print, radio, television, direct mail, website, internet advertising, social networks, smart phone applications and public relations, we consistently reinforce the Tanger brand. Our marketing efforts are also designed to build loyalty with current Tanger shoppers and create awareness with potential customers. The majority of consumer-marketing expenses incurred by us are reimbursable by our tenants.

Capital Strategy

We believe we achieve a strong and flexible financial position by attempting to: (1) maintain a conservative leverage position relative to our portfolio when pursuing new development, expansion and acquisition opportunities, (2) extend and sequence debt maturities, (3) manage our interest rate risk through a proper mix of fixed and variable rate debt, (4) maintain access to liquidity by using our lines of credit in a conservative manner and (5) preserve internally generated sources of capital by strategically divesting of our underperforming assets and maintaining a conservative distribution payout ratio. We manage our capital structure to reflect a long-term investment approach and utilize multiple sources of capital to meet our requirements.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in the best interests of our shareholders and unit holders. The Company is a well-known seasoned issuer with a shelf registration that allows us to register unspecified amounts of different classes of securities on Form S-3. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, the sale or lease of outparcels on our existing properties and the sale of certain properties that do not meet our long-term investment criteria. Based on cash provided by operations, existing lines of credit, ongoing relationships with certain financial institutions and our ability to sell debt or issue equity subject to market conditions, we believe that we have access to the necessary financing to fund our planned capital expenditures during 2014.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long-term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders and unitholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under our existing lines of credit or invested in short-term money market or other suitable instruments adhering to our investment policies.

We believe our current balance sheet position is financially sound; however, due to the uncertainty and unpredictability of the capital and credit markets, we can give no assurance that affordable access to capital will exist between now and 2015 when our next significant debt maturities occur. As a result, our current primary focus is to continually strengthen our capital and liquidity position by controlling and reducing construction and overhead costs, generating positive cash flows from operations to cover our distributions and reducing outstanding debt.

Competition

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

Tenants of outlet centers typically avoid direct competition with major retailers and their own specialty stores, and, therefore, generally insist that the outlet centers not be within a close proximity of a major department store or the tenants' own specialty stores. For this reason, our centers generally compete only to a limited extent with traditional malls in or near metropolitan areas.

We compete with institutional pension funds, private equity investors, other REITs, small owners of outlet centers, specialty stores and others who are engaged in the acquisition, development or ownership of outlet centers and stores. In addition, the number of entities competing to acquire or develop outlet centers has increased and may continue to increase in the future, which could increase demand for these outlet centers and the prices we must pay to acquire or develop them. Nevertheless, we believe the high barriers to entry in the outlet industry, including the need for extensive relationships with premier manufacturers and brand name retailers, will continue to minimize the number of new outlet centers developed each year.

Financial Information

As of December 31, 2013, and 2012, we had one reportable operating segment. For financial information regarding our segment, see our Consolidated Financial Statements.

Corporate and Regional Headquarters

We rent space in an office building in Greensboro, North Carolina in which our corporate headquarters is located as well as a regional office in Miami, Florida.

We maintain offices and employ on-site managers at 39 centers. The managers closely monitor the operation, marketing and local relationships at each of their centers.

Insurance

We believe that as a whole our properties are covered by adequate comprehensive liability, fire, flood, earthquake and extended loss insurance provided by reputable companies with commercially reasonable and customary deductibles and limits. Northline Indemnity, LLC, ("Northline"), a wholly-owned captive insurance subsidiary of the Operating Partnership, is responsible for losses up to certain levels for property damage (including wind damage from hurricanes) prior to third-party insurance coverage. Specified types and amounts of insurance are required to be carried by each tenant under their lease agreement with us. There are however, types of losses, like those resulting from wars or nuclear radiation, which may either be uninsurable or not economically insurable in some or all of our locations. An uninsured loss could result in a loss to us of both our capital investment and anticipated profits from the affected property.

Employees

As of February 1, 2014, we had 279 full-time employees, located at our corporate headquarters in North Carolina, our regional office in Miami and 39 business offices. At that date, we also employed 335 part-time employees at various locations.

Item 1A. Risk Factors

<u>Risks Related to Real Estate Investments</u>

We may be unable to develop new outlet centers or expand existing outlet centers successfully.

We continue to develop new outlet centers and expand existing outlet centers as opportunities arise. However, there are significant risks associated with our development activities in addition to those generally associated with the ownership and operation of established retail properties. While we have policies in place designed to limit the risks associated with development, these policies do not mitigate all development risks associated with a project. These risks include the following:

- significant expenditure of money and time on projects that may be delayed or never be completed;
- higher than projected construction costs;
- shortage of construction materials and supplies;

- failure to obtain zoning, occupancy or other governmental approvals or to the extent required, tenant approvals; and
- late completion because of construction delays, delays in the receipt of zoning, occupancy and other approvals or other factors outside of our control.

Any or all of these factors may impede our development strategy and adversely affect our overall business.

The economic performance and the market value of our outlet centers are dependent on risks associated with real property investments.

Real property investments are subject to varying degrees of risk. The economic performance and values of real estate may be affected by many factors, including changes in the national, regional and local economic climate, inflation, unemployment rates, consumer confidence, local conditions such as an oversupply of space or a reduction in demand for real estate in the area, the attractiveness of the properties to tenants, competition from other available space, our ability to provide adequate maintenance and insurance and increased operating costs.

Real property investments are relatively illiquid.

Our outlet centers represent a substantial portion of our total consolidated assets. These assets are relatively illiquid. As a result, our ability to sell one or more of our outlet centers in response to any changes in economic or other conditions is limited. If we want to sell an outlet center, there can be no assurance that we will be able to dispose of it in the desired time period or that the sales price will exceed the cost of our investment.

Properties may be subject to impairment charges which can adversely affect our financial results.

We periodically evaluate long-lived assets to determine if there has been any impairment in their carrying values and record impairment losses if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts or if there are other indicators of impairment. If it is determined that an impairment has occurred, we would be required to record an impairment charge equal to the excess of the asset's carrying value over its estimated fair value, which could have a material adverse effect on our financial results in the accounting period in which the adjustment is made. Our estimates of undiscounted cash flows expected to be generated by each property are based on a number of assumptions that are subject to economic and market uncertainties including, but not limited to, demand for space, competition for tenants, changes in market rental rates and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the future cash flows estimated in our impairment analysis may not be achieved.

We face competition for the acquisition and development of outlet centers, and we may not be able to complete acquisitions or developments that we have identified.

We intend to grow our business in part through acquisitions and new developments. We compete with institutional pension funds, private equity investors, other REITs, small owners of outlet centers, specialty stores and others who are engaged in the acquisition, development or ownership of outlet centers and stores. These competitors may succeed in acquiring or developing outlet centers themselves. Also, our potential acquisition targets may find our competitors to be more attractive acquirers because they may have greater marketing and financial resources, may be willing to pay more, or may have a more compatible operating philosophy. In addition, the number of entities competing to acquire or develop outlet centers has increased and may continue to increase in the future, which could increase demand for these outlet centers and the prices we must pay to acquire or develop them. If we pay higher prices for outlet centers, our profitability may be reduced. Also, once we have identified potential acquisitions, such acquisitions are subject to the successful completion of due diligence, the negotiation of definitive agreements and the satisfaction of customary closing conditions. We cannot assure you that we will be able to reach acceptable terms with the sellers or that these conditions will be satisfied.

We may be subject to environmental regulation.

Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property and may be responsible for paying for the disposal or treatment of hazardous or toxic substances released on or in our property or disposed of by us, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). This liability may be imposed whether or not we knew about, or were responsible for, the presence of hazardous or toxic substances.

Risks Related to our Business

Our earnings and therefore our profitability are entirely dependent on rental income from real property.

Substantially all of our income is derived from rental income from real property. Our income and funds for distribution would be adversely affected if a significant number of our tenants were unable to meet their obligations to us or if we were unable to lease a significant amount of space in our centers on economically favorable lease terms. In addition, the terms of outlet store tenant leases traditionally have been significantly shorter than in other retail segments. There can be no assurance that any tenant whose lease expires in the future will renew such lease or that we will be able to re-lease space on economically favorable terms.

We are substantially dependent on the results of operations of our retailers.

Our operations are subject to the results of operations of our retail tenants. A portion of our rental revenues are derived from percentage rents that directly depend on the sales volume of certain tenants. Accordingly, declines in these tenants' results of operations would reduce the income produced by our properties. If the sales of our retail tenants decline sufficiently, such tenants may be unable to pay their existing rents as such rents would represent a higher percentage of their sales. Any resulting leasing delays, failures to make payments or tenant bankruptcies could result in the termination of such tenants' leases.

A number of companies in the retail industry, including some of our tenants, have declared bankruptcy or have voluntarily closed certain of their stores in recent years. The bankruptcy of a major tenant or number of tenants may result in the closing of certain affected stores, and we may not be able to re-lease the resulting vacant space for some time or for equal or greater rent. Such bankruptcy could have a material adverse effect on our results of operations and could result in a lower level of funds for distribution.

Certain of our properties are subject to ownership interests held by third parties, whose interests may conflict with ours and thereby constrain us from taking actions concerning these properties which otherwise would be in our best interests and our shareholders' interests.

We own partial interests in outlet centers with various joint venture partners. The approval or consent of the other members of these joint ventures is required before we may sell, finance, expand or make other significant changes in the operations of these properties. We also may not have control over certain major decisions, including approval of the annual operating budgets, selection or termination of the property management company, leasing and the timing and amount of distributions, which could result in decisions that do not fully reflect our interests. To the extent such approvals or consents are required, we may experience difficulty in, or may be prevented from, implementing our plans and strategies with respect to expansion, development, property management, on-going operations, financing (for example, decisions as to whether to refinance or obtain financing, when and whether to pay down principal of any loan and whether and how to cure any defaults under loan documents) or other similar transactions with respect to such properties.

An uninsured loss or a loss that exceeds our insurance policies on our outlet centers or the insurance policies of our tenants could subject us to lost capital and revenue on those centers.

Some of the risks to which our outlet centers are subject, including risks of war and earthquakes, hurricanes and other natural disasters, are not insurable or may not be insurable in the future. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the insurance policies noted above or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in and anticipated revenue from one or more of our outlet centers, which could adversely affect our results of operations and financial condition, as well as our ability to make distributions to our shareholders.

Under the terms and conditions of our leases, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons and contamination of air, water, land or property, on or off the premises, due to activities conducted in the leased space, except for claims arising from negligence or intentional misconduct by us or our agents. Additionally, tenants generally are required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies issued by companies acceptable to us. These policies include liability coverage for bodily injury and property damage arising out of the ownership, use, occupancy or maintenance of the leased space. All of these policies may involve substantial deductibles and certain exclusions. Therefore, an uninsured loss or loss that exceeds the insurance policies of our tenants could also subject us to lost capital and revenue.

Consumer travel, shopping and spending habits may change.

Most shoppers use private automobile transportation to travel to our outlet centers and many of our centers are not easily accessible by public transportation. Increasing fuel costs may reduce the number of trips to our centers thus reducing the amount spent at our centers. Such reductions in traffic could adversely impact our percentage rents and ability to renew and release space at favorable rental rates.

Shoppers may also choose to spend a greater percentage of their disposable income to purchase goods through e-commerce channels, which could also reduce the number of trips to our centers and the average amount spent per visit. Such a change in consumer spending habits could adversely affect the results of operations of our retail tenants and adversely impact our percentage rents and ability to renew and release space at favorable rental rates.

Risks Related to our Indebtedness and Financial Markets

We are subject to the risks associated with debt financing.

We are subject to the risks associated with debt financing, including the risk that the cash provided by our operating activities will be insufficient to meet required payments of principal and interest. Disruptions in the capital and credit markets may adversely affect our operations, including the ability to fund the planned capital expenditures and potential new developments or acquisitions. Further, there is the risk that we will not be able to repay or refinance existing indebtedness or that the terms of any refinancing will not be as favorable as the terms of existing indebtedness. If we are unable to access capital markets to refinance our indebtedness on acceptable terms, we might be forced to dispose of properties on disadvantageous terms, which might result in losses.

Risks Related to Federal Income Tax Laws

The Company's failure to qualify as a REIT could subject our earnings to corporate level taxation.

We believe that we have operated and intend to operate in a manner that permits the Company to qualify as a REIT under the Internal Revenue Code of 1986, as amended. However, we cannot assure you that the Company has qualified or will remain qualified as a REIT. If in any taxable year the Company were to fail to qualify as a REIT and certain statutory relief provisions were not applicable, the Company would not be allowed a deduction for distributions to shareholders in computing taxable income and would be subject to U.S. federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. The Company's failure to qualify for taxation as a REIT would have an adverse effect on the market price and marketability of our securities.

The Company is required by law to make distributions to our shareholders.

To obtain the favorable tax treatment associated with the Company's qualification as a REIT, generally, the Company is required to distribute to its shareholders at least 90% of its net taxable income (excluding capital gains) each year. The Company depends upon distributions or other payments from the Operating Partnership to make distributions to the Company's common shareholders. A recent IRS revenue procedure allows the Company to satisfy the REIT income distribution requirement by distributing up to 90% of the dividends on its common shares in the form of additional common shares in lieu of paying dividends entirely in cash. Although we reserve the right to utilize this procedure in the future, we currently have no intent to do so. In the event that the Company pays a portion of a dividend in shares, taxable U.S. shareholders would be required to pay income tax on the entire amount of the dividend, including the portion paid in shares, in which case such shareholders might have to pay the income tax using cash from other sources. If a U.S. shareholder sells the shares it receives as a dividend in order to pay this income tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our shares at the time of the sale.

Risks Related to our Organizational Structure

The Company depends on distributions from the Operating Partnership to meet its financial obligations, including dividends.

The Company's operations are conducted by the Operating Partnership, and the Company's only significant asset is its interest in the Operating Partnership. As a result, the Company depends upon distributions or other payments from the Operating Partnership in order to meet its financial obligations, including its obligations under any guarantees or to pay dividends or liquidation payments to its common shareholders. As a result, these obligations are effectively subordinated to existing and future liabilities of the Operating Partnership. The Operating Partnership is a party to loan agreements with various bank lenders that require the Operating Partnership to comply with various financial and other covenants before it may make distributions to the Company. Although the Operating Partnership presently is in compliance with these covenants, there is no assurance that the Operating Partnership will continue to be in compliance and that it will be able to make distributions to the Company.

Risks Related to Cyber Security

Cyber-attacks or acts of cyber-terrorism could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee or Company information.

Our business operations and information technology systems may be vulnerable to an attack by individuals or organizations intending to disrupt our business operations and information technology systems. We use such systems to manage our outlet centers and other business processes. Disruption of those systems could adversely impact our ability to operate our business and to serve our customers timely. Accordingly, if such an attack or act of terrorism were to occur, our operations and financial results could be adversely affected. In addition, we use our information technology systems to protect confidential or sensitive customer, employee and Company information developed and maintained in the normal course of our business. Any attack on such systems that would result in the unauthorized release or loss of customer, employee or other confidential or sensitive data could have a material adverse effect on our business reputation, increase our costs and expose us to additional material legal claims and liability. As a result, if such an attack or act of terrorism were to occur, our operations and financial results could be adversely affected.

Item 1B. Unresolved Staff Comments

There are no unresolved staff comments from the Commission for either the Company or the Operating Partnership.

Item 2. Properties

As of February 1, 2014, our consolidated portfolio consisted of 37 outlet centers totaling 11.5 million square feet located in 24 states. We own interests in seven other outlet centers totaling approximately 1.7 million square feet through unconsolidated joint ventures, including three outlet centers in Canada. Our consolidated outlet centers range in size from 24,619 to 741,981 square feet. The centers are generally located near tourist destinations or along major interstate highways to provide visibility and accessibility to potential customers.

We believe that the centers are well diversified geographically and by tenant and that we are not dependent upon any single property or tenant. Our Deer Park, New York, center is the only property that represents 10% or more of our consolidated total assets for the year ended December 31, 2013. See "Properties - Significant Property" for further details.

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

Of the 37 outlet centers in our consolidated portfolio, we own the land underlying 31 and have ground leases on six. The following table sets forth information about the land leases on which all or a portion of the six centers are located:

Outlet Center	Acres	Expiration	Expiration including renewal terms
Myrtle Beach Hwy 17, SC	40.0	2027	2096
Atlantic City, NJ	21.3	2101	2101
Ocean City, MD	18.5	2084	2084
Sevierville, TN	42.8	2086	2086
Riverhead, NY (2)	47.0	2014	2039
Rehoboth Beach, DE	2.7	2044	(1)

(1) Lease may be renewed at our option for additional terms of twenty years each.
(2) The ground lease automatically renews in 2014 for a period of 5 years.

Generally, our leases with our outlet center tenants typically have an initial term that ranges from 5 to 10 years and provide for the payment of fixed monthly rent in advance. There are often contractual base rent increases during the initial term of the lease. In addition, the rental payments are customarily subject to upward adjustments based upon tenant sales volume. Most leases provide for payment by the tenant of real estate taxes, insurance, common area maintenance, advertising and promotion expenses incurred by the applicable center. As a result, the majority of our operating expenses for the centers are borne by the tenants.

The following table summarizes certain information with respect to our consolidated outlet centers as of February 1, 2014:

State	Number of Centers	Square Feet	% of Square Feet
South Carolina	5	1,576,888	15
New York	2	1,471,715	7
Pennsylvania	3	874,474	8
Georgia	2	691,582	6
Texas	2	619,729	6
Delaware	1	564,593	5
Alabama	1	557,014	5
North Carolina	3	505,225	5
New Jersey	1	489,762	4
Tennessee	1	438,076	4
Michigan	2	437,222	4
Ohio	1	411,776	4
Louisiana	1	318,666	3
Missouri	1	302,922	3
Utah	1	298,391	3
Connecticut	1	289,898	3
Iowa	1	277,230	2
Oregon	1	270,212	2
Illinois	1	250,439	2
New Hampshire	1	245,698	2
Florida	1	198,877	2
Maryland	1	198,840	2
California	1	171,300	2
Maine	2	76,356	1
Total	37	11,536,885	100

The following table summarizes certain information with respect to our existing outlet centers in which we have an ownership interest as of February 1, 2014. Except as noted, all properties are fee owned:

Location	Square Feet	% Occupied
Consolidated Outlet Centers		
Deer Park, New York	741,981	93
Riverhead, New York (1)	729,734	99
Rehoboth Beach, Delaware (1)	564,593	98
Foley, Alabama	557,014	96
Atlantic City, New Jersey (1)	489,762	95
San Marcos, Texas	441,929	99
Sevierville, Tennessee (1)	438,076	98
Myrtle Beach Hwy 501, South Carolina	425,247	98
Jeffersonville, Ohio	411,776	99
Myrtle Beach Hwy 17, South Carolina (1)	402,791	99
Pittsburgh, Pennsylvania	372,972	99
Commerce II, Georgia	370,512	99
Charleston, South Carolina	365,107	99
Howell, Michigan	324,652	99
Locust Grove, Georgia	321,070	99
Mebane, North Carolina	318,910	100
Gonzales, Louisiana	318,666	99
Branson, Missouri	302,922	99
Park City, Utah	298,391	99
Westbrook, Connecticut	289,898	100
Williamsburg, Iowa	277,230	100
Lincoln City, Oregon	270,212	98
Lancaster, Pennsylvania	254,002	99
Tuscola, Illinois	250,439	92
Hershey, Pennsylvania	247,500	99
Tilton, New Hampshire	245,698	99
Hilton Head II, South Carolina	206,544	100
Fort Myers, Florida	198,877	93
Ocean City, Maryland (1)	198,840	99
Terrell, Texas	177,800	99
Hilton Head I, South Carolina	177,199	98
Barstow, California	171,300	100
West Branch, Michigan	112,570	100
Blowing Rock, North Carolina	104,154	100
Nags Head, North Carolina	82,161	100
Kittery I, Maine	51,737	100
Kittery II, Maine	24,619	100
Total	11,536,885	98

(1) These properties or a portion thereof are subject to a ground lease.

Location	Square Feet	% Occupied
Unconsolidated joint venture properties		
Texas City, TX (50% owned)	352,705	100
Washington D.C. (50% owned)	338,786	99
Glendale, AZ (58% owned)	331,739	99
Wisconsin Dells, WI (50% owned)	265,086	98
Bromont, QC (50% owned)	161,617	82
Cookstown, ON (50% owned)	155,522	100
Saint-Sauveur, QC (50% owned)	115,697	100
Total	1,721,152	

Lease Expirations

The following table sets forth, as of February 1, 2014, scheduled lease expirations for our consolidated outlet centers, assuming none of the tenants exercise renewal options:

Year	No. of Leases Expiring	Approx. (1) Square Feet	Average Annualized Base Rent per sq. ft	Annualized Base Rent (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
2014	176	713,000	$ 19.38	$ 13,821,000	7
2015	322	1,361,000	20.80	28,302,000	13
2016	348	1,521,000	21.24	32,310,000	14
2017	312	1,490,000	21.14	31,497,000	14
2018	326	1,613,000	24.58	39,643,000	15
2019	173	801,000	26.25	21,023,000	7
2020	123	751,000	18.06	13,560,000	7
2021	158	854,000	21.37	18,250,000	8
2022	139	525,000	29.55	15,516,000	5
2023	155	684,000	25.45	17,410,000	6
2024 & thereafter	58	446,000	24.85	11,085,000	4
	2,290	10,759,000	$ 22.53	$ 242,417,000	100

(1) Excludes leases that have been entered into but which tenant has not yet taken possession, vacant suites, space under construction, temporary leases and month-to-month leases totaling in the aggregate approximately 778,000 square feet.

(2) Annualized base rent is defined as the minimum monthly payments due as of February 1, 2014 annualized, excluding periodic contractual fixed increases and rents calculated based on a percentage of tenants' sales. The annualized base rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants.

Rental and Occupancy Rates

The following table sets forth information regarding the expiring leases for our consolidated outlet centers during each of the last five calendar years:

	Total Expiring		Renewed by Existing Tenants	
Year	Square Feet	% of Total Center Square Feet [(1)]	Square Feet	% of Expiring Square Feet
2013	1,950,000	18	1,574,000	81
2012	1,814,000	17	1,536,000	85
2011	1,771,000	18	1,459,000	82
2010	1,460,000	16	1,217,000	83
2009	1,502,000	16	1,218,000	81

(1) Represents the percentage of total square footage at the beginning of each year that is scheduled to expire during the respective year.

The following table sets forth the weighted average base rental rate increases per square foot on a straight-line basis (includes periodic, contractual fixed rent increases) for our consolidated outlet centers upon re-leasing stores that were turned over or renewed during each of the last five calendar years:

	Renewals of Existing Leases				Stores Re-leased to New Tenants [(1)]			
		Average Annualized Base Rents ($ per sq. ft.)				Average Annualized Base Rents ($ per sq. ft.)		
Year	Square Feet	Expiring	New	% Increase	Square Feet	Expiring	New	% Increase
2013	1,574,000	$ 20.09	$ 23.96	19	510,000	$ 22.19	$ 30.57	38
2012	1,536,000	18.70	21.75	16	450,000	20.60	31.72	54
2011	1,459,000	18.16	20.54	13	548,000	18.82	28.24	50
2010	1,217,000	18.00	19.65	9	432,000	19.21	24.18	26
2009	1,218,000	16.80	18.43	10	305,000	18.83	24.66	31

(1) The square footage released to new tenants for 2013, 2012, 2011, 2010 and 2009 contains 224,000, 137,000, 172,000, 91,000, and 73,000, respectively, that was released to new tenants upon expiration of an existing lease during the respective year.

Occupancy Costs

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

Year	Occupancy Costs as a % of Tenant Sales
2013	8.6
2012	8.4
2011	8.4
2010	8.3
2009	8.5

Tenants

The following table sets forth certain information for our consolidated outlet centers with respect to our ten largest tenants and their store concepts as of February 1, 2014:

Tenant	Number of Stores	Square Feet	% of Total Square Feet
The Gap, Inc.:			
Old Navy	24	368,196	3.2
GAP	32	302,359	2.6
Banana Republic	27	225,437	1.9
Gap Kids	1	7,887	0.1
	84	903,879	7.8
Dress Barn, Inc.:			
Dress Barn	28	232,708	2.0
Lane Bryant	24	130,572	1.1
Justice	26	110,556	1.0
Maurice's	10	44,492	0.4
Dress Barn Woman	2	7,470	*
	90	525,798	4.5
Phillips-Van Heusen Corporation:			
Tommy Hilfiger	29	206,724	1.8
Van Heusen	33	133,675	1.2
Calvin Klein, Inc.	13	80,978	0.7
Izod	22	59,432	0.5
	97	480,809	4.2
Nike:			
Nike	26	359,747	3.1
Converse	8	28,190	0.2
Hurley	2	4,633	0.1
	36	392,570	3.4
VF Outlet Inc.:			
VF Outlet	9	218,763	1.9
Nautica Factory Stores	17	87,126	0.8
Timberland	11	55,330	0.5
North Face	2	13,579	0.1
Vans	4	13,000	0.1
Kipling	1	1,000	—
	44	388,798	3.4
G-III Apparel:			
Bass	33	207,242	1.8
Wilson's Leather	32	120,866	1.0
Andrew Marc	2	6,589	0.1
Vince Camuto	2	5,800	0.1
	69	340,497	3.0
ANN Inc.:			
Loft	28	196,546	1.7
Ann Taylor	19	124,683	1.1
	47	321,229	2.8
Polo Ralph Lauren:			
Polo Ralph Lauren	28	299,599	2.6
Polo Ralph Lauren Children	2	9,700	0.1
Polo Women	1	6,250	0.1
	31	315,549	2.8
Adidas:			
Reebok	27	204,440	1.8
Adidas	11	78,793	0.7
Rockport	4	10,960	*
	42	294,193	2.5
Carter's:			
OshKosh B'Gosh	30	144,518	1.3
Carter's	31	142,036	1.2
	61	286,554	2.5
Total of all tenants listed in table	601	4,249,876	36.9

* Less than 0.1%.

Significant Properties

The Deer Park, New York outlet center is the only property that comprises 10% or more of our consolidated total assets. In August 2013, we acquired an additional one-third ownership interest in the property, bringing our total ownership to a two-thirds interest, and then restructured certain aspects of the remaining one-third ownership of the property, the effects of which gave us a controlling ownership interest. With the acquisition of a controlling ownership interest, we have consolidated Deer Park in our balance sheet and statements of operations since the acquisition date. Previously Deer Park was reported within our unconsolidated portfolio of properties.

Tenants at the Deer Park outlet center principally conduct retail sales operations. The following table shows occupancy and certain base rental information related to this property as of December 31, 2013:

Deer Park	Square Feet	2013
Center Occupancy	741,981	95%
Average base rental rates per weighted average square foot [(1)]		$ 29.73

(1) Note that center was acquired during August 2013. Represents average base rental rates per weighted average square foot since the acquisition date.

Depreciation on the outlet centers is computed on the straight-line basis over the estimated useful lives of the assets. We generally use estimated lives ranging from 33 years for buildings, 15 years for land improvements and 7 years for equipment. Expenditures for ordinary repairs and maintenance are charged to operations as incurred while significant renovations and improvements, including tenant finishing allowances, which improve and/or extend the useful life of the asset are capitalized and depreciated over their estimated useful life. Real estate taxes assessed on this center during 2013 amounted to $3.9 million. Real estate taxes for 2014 are estimated to be approximately $4.0 million.

The following table sets forth, as of February 1, 2014, scheduled lease expirations for the Deer Park outlet center assuming that none of the tenants exercise renewal options:

Year	No. of Leases Expiring [(1)]	Square Feet [(1)]	Annualized Base Rent per Square Foot	Annualized Base Rent [(2)]	% of Gross Annualized Base Rent Represented by Expiring Leases
2014	4	11,000	$ 11.47	$ 130,000	1
2015	7	21,000	24.30	499,000	3
2016	11	55,000	31.37	1,715,000	9
2017	4	13,000	27.01	341,000	2
2018	26	147,000	33.94	4,982,000	26
2019	23	128,000	38.24	4,895,000	26
2020	2	6,000	33.60	213,000	1
2021	1	3,000	51.90	180,000	1
2022	3	12,000	36.41	458,000	2
2023	7	54,000	20.97	1,129,000	6
2024 and thereafter	3	185,000	23.59	4,361,000	23
Total	91	635,000	$ 29.77	$ 18,903,000	100 %

(1) Excludes leases that have been entered into but which tenant has not taken possession, vacant suites, temporary leases and month-to-month leases totaling in the aggregate approximately 107,000 square feet.
(2) Annualized base rent is defined as the minimum monthly payments due as of February 1, 2014, excluding periodic contractual fixed increases and rents calculated based on a percentage of tenants' sales. The annualized base rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants.

Item 3. Legal Proceedings

We are subject to legal proceedings and claims that have arisen in the ordinary course of our business and have not been finally adjudicated. In our opinion, the ultimate resolution of these matters is not expected to have a material effect on our results of operations or financial condition.

Item 4. Mine Safety Disclosures

Not applicable

EXECUTIVE OFFICERS OF TANGER FACTORY OUTLET CENTERS, INC.

The following table sets forth certain information concerning the Company's executive officers. The Operating Partnership does not have executive officers:

NAME	AGE	POSITION
Steven B. Tanger	65	Director, President and Chief Executive Officer
Frank C. Marchisello, Jr.	55	Executive Vice President - Chief Financial Officer
Thomas E. McDonough	56	Executive Vice President - Chief Operating Officer
Chad D. Perry	42	Executive Vice President - General Counsel and Secretary
Carrie A. Geldner	51	Senior Vice President - Chief Marketing Officer
Lisa J. Morrison	54	Senior Vice President - Leasing
James F. Williams	49	Senior Vice President - Chief Accounting Officer and Controller
Virginia R. Summerell	55	Senior Vice President - Treasurer and Assistant Secretary
Manuel O. Jessup	58	Senior Vice President - Human Resources

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

***Steven B. Tanger*.** Mr. Tanger is a director of the Company and was named President and Chief Executive Officer effective January 1, 2009. Mr. Tanger served as President and Chief Operating Officer from January 1, 1995 to December 2008. Previously, Mr. Tanger served as Executive Vice President from 1986 to December 1994. He has been with Tanger related companies for most of his professional career, having served as Executive Vice President of Tanger/Creighton for 10 years. Mr. Tanger is a graduate of the University of North Carolina at Chapel Hill and the Stanford University School of Business Executive Program. Mr. Tanger provides an insider's perspective in Board discussions about the business and strategic direction of the Company and has experience in all aspects of the Company's business.

Frank C. Marchisello, Jr. Mr. Marchisello was named Executive Vice President - Chief Financial Officer in April 2003. Previously he was named Senior Vice President and Chief Financial Officer in January 1999 after being named Vice President and Chief Financial Officer in November 1994. He served as Chief Accounting Officer from January 1993 to November 1994. He was employed by Gilliam, Coble & Moser, certified public accountants, from 1981 to 1992, the last six years of which he was a partner of the firm in charge of various real estate clients. Mr. Marchisello is responsible for the Company's financial reporting processes, as well as supervisory responsibility over the senior officers that oversee the Company's accounting, finance, investor relations and information systems functions. Mr. Marchisello is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

Thomas E. McDonough. Mr. McDonough was named Executive Vice President - Chief Operating Officer in August 2011. He joined the Company in August 2010 as Executive Vice President of Operations. Previously, he was the Co-Founder and Principal of MHF Real Estate Group, a real estate asset management firm, from September 2009 to August 2010. He served as Chief Investment Officer and was a member of the Investment Committee at Equity One, Inc. from July 2007 to April 2009. From April 2006 to July 2007, Mr. McDonough was a partner at Kahl & Goveia, and from February 1997 to April 2006, he was employed by Regency Centers Corp., and its predecessor, Pacific Retail Trust, as the national director of acquisitions and dispositions. Previously, from July 1984 to January 1997, Mr. McDonough served in various capacities, including partner and principal, with Trammell Crow Company. Mr. McDonough has supervisory responsibility over the senior officers that oversee the Company's operations, construction and development, leasing and marketing functions. Mr. McDonough is a graduate of Stanford University and holds an MBA degree from Harvard Business School.

Chad D. Perry. Mr. Perry joined the Company in December 2011 as Executive Vice President - General Counsel and was additionally named Secretary in May 2012. Previously, he was Executive Vice President and Deputy General Counsel of LPL Financial Corporation from May 2006 to December 2011. From January 2005 to April 2006, he served as Senior Corporate Counsel of EMC Corporation. Previously, Mr. Perry was a Senior Associate of international law firm Ropes & Gray from September 1997 to January 2005. His responsibilities include corporate governance, compliance, and other legal matters, as well as management of outside counsel relationships and the Company’s in house legal department. Mr. Perry is a graduate of Princeton University, holds a J.D. degree from Columbia University, and is a member of both the Massachusetts and California bar associations.

Carrie A. Geldner. Ms. Geldner was named Senior Vice President - Chief Marketing Officer in January 2012. Previously, she held the positions of Senior Vice President - Marketing from May 2000 to January 2012, Vice President - Marketing from September 1996 to May 2000 and Assistant Vice President - Marketing from December 1995 to September 1996. Prior to joining Tanger, Ms. Geldner was with Prime Retail, L.P. for 4 years where she served as Regional Marketing Director responsible for coordinating and directing marketing for five outlet centers in the southeast region. Previously, Ms. Geldner was Marketing Manager for North Hills, Inc. for five years and also served in the same role for the Edward J. DeBartolo Corp. for two years. Her major responsibilities include managing the Company's marketing department and developing and overseeing implementation of all corporate and field marketing programs. Ms. Geldner is a graduate of East Carolina University.

Lisa J. Morrison. Ms. Morrison was named Senior Vice President - Leasing in August 2004. Previously, she held the positions of Vice President - Leasing from May 2001 to August 2004, Assistant Vice President of Leasing from August 2000 to May 2001 and Director of Leasing from April 1999 until August 2000. Prior to joining the Company, Ms. Morrison was employed by the Taubman Company and Trizec Properties, Inc. where she served as a leasing agent. Previously, she was a marketing coordinator for Nelson Ross Properties. Her major responsibilities include managing the leasing strategies for our operating properties, as well as expansions and new developments. She also oversees the leasing personnel and the merchandising and occupancy for Tanger properties. Ms. Morrison is a graduate of the University of Detroit and holds an MA degree from Michigan State University.

James F. Williams. Mr. Williams was named Senior Vice President - Chief Accounting Officer and Controller in March 2013. Mr. Williams joined the Company in September 1993, was named Controller in January 1995 and was also named Assistant Vice President in January 1997, Vice President in April 2004, and Senior Vice President in February 2006. Prior to joining the Company, Mr. Williams was the Financial Reporting Manager of Guilford Mills, Inc. from April 1991 to September 1993 and was employed by Arthur Andersen from 1987 to 1991. His major responsibilities include oversight and supervision of the Company's accounting and financial reporting functions. Mr. Williams is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

Virginia R. Summerell. Ms. Summerell was named Senior Vice President - Treasurer and Assistant Secretary of the Company in May 2011. Since joining the Company in August 1992, she has held various positions including Vice President Treasurer, Assistant Secretary and Director of Finance. Her major responsibilities include oversight of corporate and project finance transactions, developing and maintaining banking relationships, management of treasury systems and the supervision of the Company's credit department. Prior to joining the Company, she served as a Vice President and in other capacities at Bank of America and its predecessors in Real Estate and Corporate Lending for nine years. Ms. Summerell is a graduate of Davidson College and holds an MBA from Wake Forest University Babcock School of Business.

Manuel O. Jessup. Mr. Jessup joined the Company as Senior Vice President of Human Resources in September 2012. Previously Mr. Jessup worked with Fine Mark National Bank & Trust as the Executive Vice President of Human Resources from October 2010 to July 2012. From September 2006 to August 2010, he served as Senior Vice President of Human Resources and later Executive Vice President and Chief Human Resources Officer at Chico's FAS, Inc. Previously, Mr. Jessup was employed by Sara Lee Branded Apparel from September 1985 through August 2006. While at Sara Lee Branded Apparel, Mr. Jessup held numerous leadership roles in human resources, including Vice President of Human Resources, with responsibility for domestic and international operations in Asia and Latin America. His responsibilities include oversight and supervision of the Company's Human Resources function. Mr. Jessup is a graduate of the University of South Carolina and holds an MBA from Wake Forest University Babcock School of Business.

PART II

Item 5. Market For Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Tanger Factory Outlet Centers, Inc. Market Information

The common shares commenced trading on the New York Stock Exchange on May 28, 1993. The following table sets forth the high and low sales prices of the common shares as reported on the New York Stock Exchange Composite Tape, during the periods indicated:

2013	High	Low	Common Dividends Paid
First Quarter	$ 36.48	$ 33.43	$ 0.2100
Second Quarter	39.45	31.54	0.2250
Third Quarter	35.85	30.06	0.2250
Fourth Quarter	35.71	31.40	0.2250
Year 2013	$ 39.45	$ 30.06	$ 0.8850

2012	High	Low	Common Dividends Paid
First Quarter	$ 30.27	$ 27.72	$ 0.2000
Second Quarter	32.75	28.94	0.2100
Third Quarter	34.09	31.50	0.2100
Fourth Quarter	34.46	30.87	0.2100
Year 2012	$ 34.46	$ 27.72	$ 0.8300

Holders

As of February 1, 2014, there were approximately 453 common shareholders of record.

Dividends

The Company operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code, or the Code. A REIT is required to distribute at least 90% of its taxable income to its shareholders each year. We intend to continue to qualify as a REIT and to distribute substantially all of our taxable income to our shareholders through the payment of regular quarterly dividends. Certain of our debt agreements limit the payment of dividends such that dividends shall not exceed funds from operations ("FFO"), as defined in the agreements, for the prior fiscal year on an annual basis or 95% of FFO on a cumulative basis.

Securities Authorized for Issuance under Equity Compensation Plans

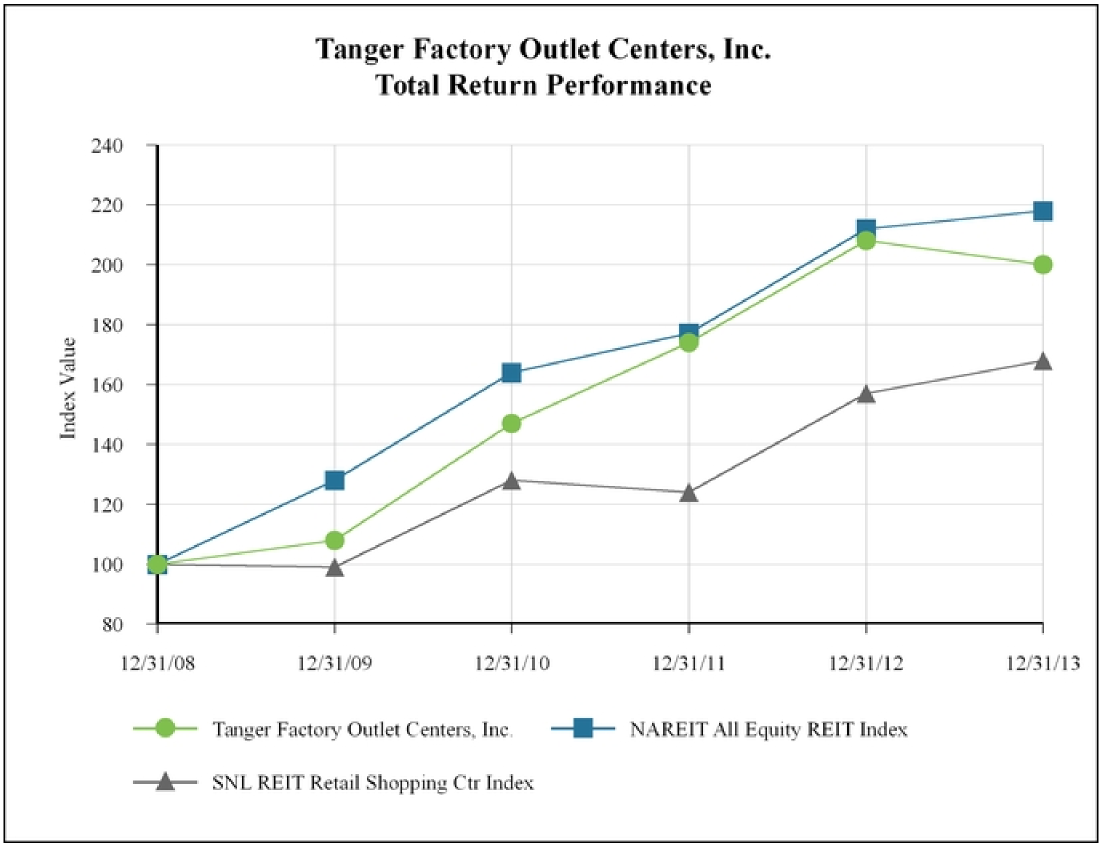
The information required by this Item is set forth in Part III Item 12 of this document.

Performance Graph

The following Performance Graph and related information shall not be deemed "soliciting material" or to be "filed" with the Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Act, or the Securities Exchange Act of 1934, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference into such filing.

The following share price performance chart compares our performance to the index of equity REITs prepared by the National Association of Real Estate Investment Trusts ("NAREIT"), and the SNL Shopping Center REIT index prepared by SNL Financial. Equity REITs are defined as those that derive more than 75% of their income from equity investments in real estate assets. The NAREIT equity index includes all tax qualified real estate investment trusts listed on the New York Stock Exchange, American Stock Exchange or the NASDAQ National Market System.

All share price performance assumes an initial investment of $100 at the beginning of the period and assumes the reinvestment of dividends. Share price performance, presented for the five years ended December 31, 2013, is not necessarily indicative of future results.



Index	12/31/2008	12/31/2009	12/31/2010	Period Ended 12/31/2011	12/31/2012	12/31/2013
Tanger Factory Outlet Centers, Inc.	100.00	108.27	147.29	173.75	208.14	199.79
NAREIT All Equity REIT Index	100.00	127.99	163.76	177.32	212.26	218.32
SNL REIT Retail Shopping Ctr Index	100.00	98.72	128.15	124.48	157.17	167.92

Tanger Properties Limited Partnership Market Information

There is no established public trading market for the Operating Partnership's common units. As of December 31, 2013, the Company's wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust, owned 94,505,685 units of the Operating Partnership and the Non-Company LPs owned 5,145,012 units. We made distributions per common unit during 2013 and 2012 as follows:

	2013	2012
First Quarter	$ 0.210	$ 0.200
Second Quarter	0.225	0.210
Third Quarter	0.225	0.210
Fourth Quarter	0.225	0.210
	$ 0.885	$ 0.830

Item 6. Selected Financial Data (Tanger Factory Outlet Centers, Inc.)

The following data should be read in conjunction with our consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K:

	2013	2012	2011	2010	2009
	(in thousands, except per share and center data)				
OPERATING DATA					
Total revenues	$ 385,009	$ 356,997	$ 315,223	$ 276,303	$ 270,595
Operating income	127,895	109,585	97,936	79,631	69,940
Income from continuing operations (1)(2)(3)	113,321	56,476	50,989	38,342	72,709
Net income (1)(2)(3)	113,321	56,476	50,989	38,244	67,495
SHARE DATA					
Basic:					
Income from continuing operations	$ 1.14	$ 0.57	$ 0.53	$ 0.32	$ 0.78
Net income available to common shareholders	$ 1.14	$ 0.57	$ 0.53	$ 0.32	$ 0.72
Weighted average common shares	93,311	91,733	83,000	80,187	71,832
Diluted:					
Income from continuing operations	$ 1.13	$ 0.57	$ 0.52	$ 0.32	$ 0.78
Net income available to common shareholders	$ 1.13	$ 0.57	$ 0.52	$ 0.32	$ 0.72
Weighted average common shares	94,247	92,661	84,129	80,390	72,024
Common dividends paid	$ 0.8850	$ 0.8300	$ 0.7938	$ 0.7725	$ 0.7638
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 2,249,819	$ 1,947,352	$ 1,916,045	$ 1,576,214	$ 1,507,870
Total assets	2,006,456	1,678,800	1,633,273	1,220,359	1,184,300
Debt	1,328,049	1,093,537	1,025,542	714,616	584,611
Total shareholders' equity	557,595	513,875	528,432	421,895	521,063
CASH FLOW DATA					
Cash flows provided by (used in):					
Operating activities	$ 187,486	$ 165,750	$ 135,994	$ 118,500	$ 127,297
Investing activities	(174,226)	(147,909)	(361,076)	(86,853)	(76,228)
Financing activities	(7,072)	(15,415)	227,218	(29,156)	(52,779)
OTHER DATA					
Square feet open:					
Consolidated	11,537	10,737	10,724	9,190	9,216
Partially-owned (unconsolidated)	1,719	2,156	1,110	948	950
Number of outlet centers:					
Consolidated	37	36	36	31	31
Partially-owned (unconsolidated)	7	7	3	2	2

(1) For the year ended December 31, 2013, income from continuing operations and net income includes a $26.0 million gain on our previously held interest in Deer Park upon the acquisition of an additional one-third interest in August 2013, and the consolidation of Deer Park into our financial statements.
(2) For the year ended December 31, 2010, income from continuing operations and net income include a loss on termination of derivatives of $6.1 million.
(3) For the year ended December 31, 2009, income from continuing operations and net income include a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt; a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest and a $5.2 million impairment charge related to a property held and used in the year the charge was taken.

Item 6. Selected Financial Data (Tanger Properties Limited Partnership)

The following data should be read in conjunction with our consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K:

	2013	2012	2011	2010	2009
	(in thousands, except per unit and center data)				
OPERATING DATA					
Total revenues	$ 385,009	$ 356,997	$ 315,223	$ 276,303	$ 270,595
Operating income	127,895	109,585	97,936	79,631	69,940
Income from continuing operations (1)(2)(3)	113,321	56,476	50,989	38,342	72,709
Net income (1)(2)(3)	113,321	56,476	50,989	38,244	67,495
UNIT DATA					
Basic:					
Income from continuing operations	$ 1.14	$ 0.57	$ 0.53	$ 0.32	$ 0.79
Net income available to common unitholders	$ 1.14	$ 0.57	$ 0.53	$ 0.32	$ 0.73
Weighted average common units	98,193	97,677	94,892	92,321	83,965
Diluted:					
Income from continuing operations	$ 1.13	$ 0.57	$ 0.52	$ 0.32	$ 0.79
Net income available to common unitholders	$ 1.13	$ 0.57	$ 0.52	$ 0.32	$ 0.73
Weighted average common units	99,129	98,605	96,021	92,523	84,157
Common distributions paid	$ 0.8850	$ 0.8300	$ 0.7938	$ 0.7725	$ 0.7638
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 2,249,819	$ 1,947,352	$ 1,916,045	$ 1,576,214	$ 1,507,870
Total assets	2,005,950	1,678,326	1,632,921	1,219,901	1,183,939
Debt	1,328,049	1,093,537	1,025,542	714,616	584,611
Total equity	557,595	513,875	528,432	421,895	521,063
CASH FLOW DATA					
Cash flows provided by (used in):					
Operating activities	$ 187,269	$ 165,738	$ 136,053	$ 118,466	$ 127,269
Investing activities	(174,226)	(147,909)	(361,076)	(86,853)	(76,228)
Financing activities	(7,072)	(15,415)	227,218	(29,156)	(52,779)
OTHER DATA					
Consolidated	11,537	10,737	10,724	9,190	9,216
Partially-owned (unconsolidated)	1,719	2,156	1,110	948	950
Number of outlet centers:					
Consolidated	37	36	36	31	31
Partially-owned (unconsolidated)	7	7	3	2	2

(1) For the year ended December 31, 2013, income from continuing operations and net income includes a $26.0 million gain on our previously held interest in Deer Park upon the acquisition of an additional one-third interest in August 2013, and the consolidation of Deer Park into our financial statements.
(2) For the year ended December 31, 2010, income from continuing operations and net income include a loss on termination of derivatives of $6.1 million.
(3) For the year ended December 31, 2009, income from continuing operations and net income include a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt; a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest and a $5.2 million impairment charge related to a property held and used in the year the charge was taken.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statements

Certain statements made in Item 1 - Business and this Management's Discussion and Analysis of Financial Condition and Results of Operations below are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies, beliefs and expectations, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, those set forth under Item 1A - Risk Factors.

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

General Overview

At December 31, 2013 , we had 37 consolidated outlet centers in 24 states totaling 11.5 million square feet. The table below details our development activities at consolidated centers that significantly impacted our results of operations and liquidity from January 1, 2011 to December 31, 2013:

Center	Date Acquired/Open/Disposed/Demolished	Purchase Price (in millions)	Square Feet (in thousands)	Centers	States
As of January 1, 2011			9,190	31	21
Redevelopment:					
Hilton Head I, SC	March 2011		177	1	—
Acquisitions:					
Jeffersonville, OH	June 2011	$ 134.0	410	1	1
Atlantic City, NJ and Ocean City, MD (1)	July 2011	$ 200.3	689	2	2
Hershey, PA (2)	September 2011	$ 49.8	247	1	—
Other			11		
As of December 31, 2011			10,724	36	24
Expansion:					
Locust Grove, GA	Second quarter 2012		26	—	—
Other			(13)	—	—
As of December 31, 2012			10,737	36	24
Expansion:					
Gonzales, LA	First and second quarters 2013		40	—	—
Sevierville, TN	Third quarter 2013		19	—	—
Acquisition:					
Deer Park, NY (3)	August 2013		742	1	—
Other			(1)	—	—
As of December 31, 2013			11,537	37	24

(1) Substantially all of the economic interests in Phase I & II of Atlantic City Outlets The Walk and Ocean City were purchased on July 15, 2011, and substantially all of the economic interest in Phase III of Atlantic City Outlets The Walk was purchased on November 1, 2011.

(2) Excludes a $6.2 million loan to the noncontrolling interest holder collateralized by their ownership interest in the property.

(3) On August 30, 2013, we acquired an additional one-third interest in Deer Park, bringing our total ownership to a two-thirds interest, for total consideration of approximately $27.9 million. As a result of acquiring a controlling ownership interest, Deer Park has been consolidated in our balance sheet and statements of operations since the acquisition date. The fair value of the net assets acquired, on a consolidated basis, totaled $83.8 million, consisting of $319.4 million in rental property and lease related intangibles, $2.3 million in other identifiable assets and liabilities, and $237.9 million in debt. Previously Deer Park was reported within our unconsolidated portfolio of properties.

Leasing Activity

The following table provides information for our consolidated outlet centers regarding space re-leased or renewed during the years ended December 31, 2013 and 2012, respectively:

	2013					
	# of Leases	Square Feet	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf) (1)
Re-tenant	154	510,000	$ 30.57	$ 40.69	8.68	$ 25.88
Renewal	341	1,574,000	23.96	0.86	4.71	23.78

	2012					
	# of Leases	Square Feet	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf) (1)
Re-tenant	136	450,000	$ 31.72	$ 42.25	8.57	$ 26.79
Renewal	322	1,536,000	21.75	0.04	4.56	21.74

(1) Net average straight-line rent is calculated by dividing the average tenant allowance costs per square foot by the average initial term and subtracting this calculated number from the average straight-line rent per year amount. The average annual straight-line rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants. The average tenant allowance disclosed in the table above includes landlord costs.

Results of Operations

2013 Compared to 2012

NET INCOME
Net income increased approximately $56.8 million in the 2013 period to $113.3 million as compared to $56.5 million for the 2012 period. The increase in net income was a result of a $28.0 million increase in operating revenues, a $26.0 million increase from a gain on a previously held interest in an acquired joint venture and a $14.3 million increase in equity in earnings from unconsolidated joint ventures. Subsequent to the third quarter of 2012, we developed or acquired 5 additional unconsolidated joint venture outlet centers. These increases in income were partially offset by an increase in property operating expenses of $9.9 million, increase in general and administrative expenses of $1.7 million and an increase in interest expense of $1.8 million.

BASE RENTALS
Base rentals increased $18.2 million, or 8%, in the 2013 period compared to the 2012 period. The following table sets forth the changes in various components of base rentals (in thousands):

	2013	2012	Increase/ (Decrease)
Base rentals from existing properties	$ 245,985	$ 233,553	$ 12,432
Base rentals from 2013 acquisitions	7,494	—	7,494
Termination fees	609	877	(268)
Amortization of net above and below market lease values	(686)	803	(1,489)
	$ 253,402	$ 235,233	$ 18,169

Base rental income generated from existing properties in our portfolio increased due to increases in rental rates on lease renewals, incremental rents from re-tenanting vacant spaces, as well as incremental rental revenue from the expansion of one center in 2012 and two centers in 2013.

In August 2013, we acquired an additional one-third interest in the Deer Park property from one of the partners, bringing our total ownership to a two-thirds interest. As a result of acquiring a controlling ownership interest. we have consolidated the results of the property since the acquisition date for financial reporting purposes.

At December 31, 2013, the combined net value representing the amount of unamortized above market lease assets and below market lease liability values, recorded as a part of the purchase price of acquired properties, was a net above market lease asset which totaled approximately $10.7 million. If a tenant terminates its lease prior to the original contractual termination date of the lease and no rental payments are being made on the lease, any unamortized balance of the related above or below market lease value will be written off and could materially impact our net income positively or negatively. The decrease in base rent recognized from the amortization of above and below market lease values related primarily to the amortization of net above market lease assets recorded from the Deer Park acquisition. In addition, several below market leases from previous acquisitions became fully amortized at the end of 2012 thus causing a decrease in base rent in the 2013 period compared to the 2012 period.

EXPENSE REIMBURSEMENTS

Expense reimbursements increased $8.5 million, or 8%, in the 2013 period as compared to the 2012 period. The following table sets forth the changes in various components of expense reimbursements (in thousands):

	2013	2012	Increase/ (Decrease)
Expense reimbursements from existing properties	$ 106,061	$ 100,832	$ 5,229
Expense reimbursements from 2013 acquisitions	3,317	—	3,317
Termination fees allocated to expense reimbursements	276	278	(2)
	$ 109,654	$ 101,110	$ 8,544

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses, generally fluctuate consistently with the reimbursable property operating expenses to which they relate. Existing property expense reimbursements increased in the 2013 period compared to the 2012 period as a result of an increase in recoverable property operating expenses, a modest increase in the portfolio's overall average occupancy rate, and due to a number of leases recently executed which require a higher reimbursement amount of our operating expenses.

OTHER INCOME

Other income increased $1.2 million, or 13%, in the 2013 period as compared to the 2012 period. The following table sets forth the changes in various components of other income (in thousands):

	2013	2012	Increase/ (Decrease)
Other income from existing properties	$ 7,496	$ 7,637	$ (141)
Other income from 2013 acquisitions	213	—	213
Fees recognized from unconsolidated joint ventures	2,993	1,845	1,148
	$ 10,702	$ 9,482	$ 1,220

Other income increased primarily from fees earned from the unconsolidated joint ventures added to the portfolio during the fourth quarter of 2012 and from the National Harbor joint venture which opened during November 2013.

PROPERTY OPERATING EXPENSES

Property operating expenses increased $9.9 million, or 9%, in the 2013 period as compared to the 2012 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2013	2012	Increase/ (Decrease)
Property operating expenses from existing properties	$ 115,979	$ 111,160	$ 4,819
Property operating expenses from 2013 acquisitions	5,067	—	5,067
	$ 121,046	$ 111,160	$ 9,886

Property operating expenses increased at existing properties due to increases in mall office operating costs, snow removal costs, property insurance and real estate taxes.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased $1.7 million, or 4%, in the 2013 period as compared to the 2012 period. In the 2012 period general and administrative expenses included $1.3 million of compensation expense related to 45,000 common shares that vested immediately, granted to Steven B. Tanger, pursuant to an amendment to his employment contract. Excluding this charge, general and administrative expenses increased approximately $3.0 million. This increase was mainly due to additional share-based compensation expense related to the 2013 grants of restricted shares to directors and certain officers of the Company and the grant of performance shares to senior officers under a new long term incentive plan. Also, the 2013 period included higher payroll related expenses on a comparative basis to the 2012 period due to the addition of new employees throughout 2012 and 2013.

ACQUISITION COSTS

The 2013 period included costs related to the acquisition of the additional ownership interest in the Deer Park property as well as costs from other potential acquisitions of operating properties that were never completed. The 2012 period included acquisition costs incurred by us related to the two acquisitions through our RioCan joint venture in November 2012.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization decreased $2.9 million, or 3%, in the 2013 period as compared to the 2012 period. The following table sets forth the changes in various components of depreciation and amortization (in thousands):

	2013	2012	Increase/ (Decrease)
Depreciation and amortization from existing properties	$ 88,920	$ 98,683	$ (9,763)
Depreciation and amortization from 2013 acquisitions	6,826	—	6,826
	$ 95,746	$ 98,683	$ (2,937)

Depreciation and amortization costs decreased at existing properties as certain construction and development related assets, as well as lease related intangibles recorded as part of the acquisition price of acquired properties, which are amortized over shorter lives, became fully depreciated during the reporting periods.

INTEREST EXPENSE

Interest expense increased approximately $1.8 million, or 4%, in the 2013 period compared to the 2012 period. The primary reason for the increase in interest expense was the increase in the average amount of debt outstanding from approximately $1.1 billion for the 2012 period to approximately $1.2 billion for the 2013 period. The higher debt levels outstanding were a result of fundings for additional investments in unconsolidated joint ventures in both Canada and the United States and the acquisition of the additional ownership interest in Deer Park.

GAIN ON PREVIOUSLY HELD INTEREST IN ACQUIRED JOINT VENTURE

In August 2013, we acquired an additional one-third ownership interest in the Deer Park property, bringing our total ownership to a two-thirds interest. With the acquisition of a controlling ownership interest, we have consolidated the property for financial reporting purposes since the acquisition date. The acquisition resulted in a gain of approximately $26.0 million, representing the difference between the recorded value and the fair market value of our original equity interest.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED JOINT VENTURES

Equity in earnings of unconsolidated joint ventures increased approximately $14.3 million in the 2013 period compared to the 2012 period. The primary reasons for the increase related to transactions at the Deer Park property prior to our acquisition of an additional one-third interest and its subsequent consolidation for financial reporting purposes. As a part of the refinance of the debt at Deer Park, a gain on early extinguishment of debt of $13.8 million was recorded. In addition a lawsuit was settled which resulted in income to Deer Park of approximately $9.5 million after expenses. Our one-third share of these transactions, recorded through equity in earnings prior to the acquisition, was approximately $7.8 million. Incremental earnings from the addition of four outlet centers held in unconsolidated joint ventures to the portfolio during the fourth quarter of 2012 accounted for the remainder of the increase.

2012 Compared to 2011

NET INCOME

Net income increased approximately $5.5 million in the 2012 period to $56.5 million as compared to $51.0 million for the 2011 period. The increase in net income was a result of a $41.8 million increase in operating revenues, a $2.6 million decrease in acquisition costs and a $158,000 decrease in abandoned development costs, partially offset by a $10.9 million increase in operating expenses, a $7.3 million increase in general and administrative expenses, $4.4 million in higher interest costs, $14.7 million in higher depreciation and amortization amounts and $1.7 million in higher losses on unconsolidated joint ventures.

BASE RENTALS

Base rentals increased $27.6 million, or 13%, in the 2012 period compared to the 2011 period. The following table sets forth the changes in various components of base rentals (in thousands):

	2012	2011	Increase/ (Decrease)
Base rentals from existing properties	$ 199,129	$ 190,423	$ 8,706
Base rentals from new developments	3,947	2,601	1,346
Base rentals from 2011 acquisitions	30,477	13,408	17,069
Termination fees	877	508	369
Amortization of net above and below market lease values	803	697	106
	$ 235,233	$ 207,637	$ 27,596

Base rental income generated from existing properties in our portfolio increased due to increases in rental rates on lease renewals and incremental rents from re-tenanting vacant spaces.

During the first quarter of 2011, we completed the redevelopment of our 177,000 square foot outlet center in Hilton Head I, South Carolina and throughout 2011 acquired a total of four outlet centers adding approximately 1.3 million square feet to our consolidated outlet center portfolio.

At December 31, 2012, the combined net value representing the amount of unamortized above market lease assets and below market lease liability values, recorded as a part of the purchase price of acquired properties, was a net above market lease asset which totaled approximately $5.2 million. If a tenant terminates its lease prior to the original contractual termination date of the lease and no rental payments are being made on the lease, any unamortized balance of the related above or below market lease value will be written off and could materially impact our net income positively or negatively.

PERCENTAGE RENTALS

Percentage rentals, which represent revenues based on a percentage of tenants' sales volume above predetermined levels, increased $2.1 million, or 23%, in the 2012 period compared to the 2011 period. The following table sets forth the changes in various components of percentage rentals (in thousands):

	2012	2011	Increase/ (Decrease)
Percentage rentals from existing properties	$ 9,325	$ 8,495	$ 830
Percentage rentals from new developments	248	66	182
Percentage rentals from 2011 acquisitions	1,599	523	1,076
	$ 11,172	$ 9,084	$ 2,088

The increase in percentage rentals is partially related to new developments and acquisitions completed in the 2011 period. In addition, percentage rentals from existing properties increased 10% due to higher tenant sales productivity. Reported tenant comparable sales for our consolidated properties for the rolling twelve months ended December 31, 2012 increased 2.9% to $376 per square foot. Reported tenant comparable sales is defined as the weighted average sales per square foot reported in space open for the full duration of each comparison period.

EXPENSE REIMBURSEMENTS

Expense reimbursements increased $11.5 million, or 13%, in the 2012 period as compared to the 2011 period. The following table sets forth the changes in various components of expense reimbursements (in thousands):

	2012	2011	Increase/ (Decrease)
Expense reimbursements from existing properties	$ 87,619	$ 83,800	$ 3,819
Expense reimbursements from new developments	1,532	1,172	360
Expense reimbursements from 2011 acquisitions	11,681	4,397	7,284
Termination fees allocated to expense reimbursements	278	251	27
	$ 101,110	$ 89,620	$ 11,490

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses, generally fluctuate consistently with the reimbursable property operating expenses to which they relate. Existing property expense reimbursements increased in the 2012 period compared to the 2011 period as a result of an increase in the portfolio's overall average occupancy rate, as well as a number of leases recently executed which require a higher reimbursement amount of our operating expenses.

OTHER INCOME

Other income increased $600,000, or 7%, in the 2012 period as compared to the 2011 period. The following table sets forth the changes in various components of other income (in thousands):

	2012	2011	Increase/ (Decrease)
Other income from existing properties	$ 7,158	$ 7,475	$ (317)
Fees recognized from unconsolidated joint ventures	1,845	1,216	629
Other income from new developments	73	50	23
Other income from 2011 acquisitions	406	141	265
	$ 9,482	$ 8,882	$ 600

The increase in fees recognized from unconsolidated joint ventures increased due to our entry into five new joint ventures in the 2011 and 2012 periods.

PROPERTY OPERATING EXPENSES
Property operating expenses increased $10.9 million, or 11%, in the 2012 period as compared to the 2011 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2012	2011	Increase/ (Decrease)
Property operating expenses from existing properties	$ 94,048	$ 93,184	$ 864
Property operating expenses from new developments	1,740	1,496	244
Property operating expenses from 2011 acquisitions	15,372	5,566	9,806
	$ 111,160	$ 100,246	$ 10,914

Increases at existing properties related to higher mall office operating costs, security and property insurance. These costs were partially offset by lower snow removal costs across the portfolio.

GENERAL AND ADMINISTRATIVE EXPENSES
General and administrative expenses increased $7.3 million, or 24%, in the 2012 period as compared to the 2011 period. This increase was mainly due to additional share-based compensation expense related to the 2012 restricted share grant to directors and certain officers of the Company and share-based compensation. In addition, the 2012 period included $1.3 million of compensation expense related to 45,000 common shares that vested immediately, granted to Steven B. Tanger, pursuant to an amendment to his employment contract. In addition, the 2012 period included higher payroll related expenses on a comparative basis to the 2011 period due to the addition of new employees since January 1, 2011.

ACQUISITION COSTS
The 2012 period included acquisition costs incurred by us related to the two acquisitions through our RioCan joint venture in November 2012. The 2011 period included costs related to the four acquisitions of consolidated properties described above in "General Overview," as well as one acquisition through our RioCan joint venture in December, 2011.

DEPRECIATION AND AMORTIZATION
Depreciation and amortization increased $14.7 million, or 17%, in the 2012 period as compared to the 2011 period. The following table sets forth the changes in various components of depreciation and amortization (in thousands):

	2012	2011	Increase/ (Decrease)
Depreciation and amortization from existing properties	$ 68,374	$ 70,860	$ (2,486)
Depreciation and amortization from new developments	2,092	1,090	1,002
Depreciation and amortization from 2011 acquisitions	28,217	12,065	16,152
	$ 98,683	$ 84,015	$ 14,668

Depreciation and amortization costs increased in the 2012 period compared to the 2011 period primarily as a result of the additional centers added to the portfolio during 2011. The depreciation and amortization from acquisitions includes the amortization of lease related intangibles recorded as part of the acquisition price of the acquired properties which are amortized over shorter lives. Depreciation and amortization from existing properties decreased as certain construction and development related assets and lease related intangible assets from these properties became fully depreciated during 2012.

INTEREST EXPENSE
Interest expense increased approximately $4.4 million, or 10%, in the 2012 period compared to the 2011 period. The primary reason for the increase in interest expense was the increase in the average amount of debt outstanding from approximately $870.1 million for the 2011 period to approximately $1.1 billion for the 2012 period. The higher debt levels outstanding were a result of the mortgages assumed as part of the acquisition of four properties, additional funding necessary for the development and acquisition projects described above and other general operating purposes.

The increase in interest expense associated with the higher debt outstanding was partially offset by lower interest rates on our unsecured lines of credit. These facilities were recast during the fourth quarter of 2011 resulting in the credit spread over LIBOR being reduced from 190 basis points to 125 basis points. In addition, in February 2012, we entered into a term loan for $250.0 million with an initial interest rate of LIBOR + 1.80%.

EQUITY IN LOSSES OF UNCONSOLIDATED JOINT VENTURES

Equity in losses of unconsolidated joint ventures increased approximately $1.7 million, or 111%, in the 2012 period compared to the 2011 period. The increase in loss is due primarily to acquisition costs and abandoned due diligence costs incurred by our RioCan joint venture. The remaining increase in losses is attributable to joint ventures added during the year which in aggregate have depreciation in excess of their earnings before depreciation.

Liquidity and Capital Resources of the Company

In this “Liquidity and Capital Resources of the Company” section, the term, the Company, refers only to Tanger Factory Outlet Centers, Inc. on an unconsolidated basis, excluding the Operating Partnership.

The Company's business is operated primarily through the Operating Partnership. The Company issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses in operating as a public company, which are fully reimbursed by the Operating Partnership. The Company does not hold any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership. The Company's principal funding requirement is the payment of dividends on its common shares. The Company's principal source of funding for its dividend payments is distributions it receives from the Operating Partnership.

Through its ownership of the sole general partner of the Operating Partnership, the Company has the full, exclusive and complete responsibility for the Operating Partnership's day-to-day management and control. The Company causes the Operating Partnership to distribute all, or such portion as the Company may in its discretion determine, of its available cash in the manner provided in the Operating Partnership's partnership agreement. The Company receives proceeds from equity issuances from time to time, but is required by the Operating Partnership's partnership agreement to contribute the proceeds from its equity issuances to the Operating Partnership in exchange for partnership units of the Operating Partnership.

The Company is a well-known seasoned issuer with a shelf registration which expires in June 2015 that allows the Company to register unspecified, various classes of equity securities and the Operating Partnership to register unspecified, various classes of debt securities. As circumstances warrant, the Company may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. The Operating Partnership may use the proceeds to repay debt, including borrowings under its lines of credit, develop new or existing properties, to make acquisitions of properties or portfolios of properties, to invest in existing or newly created joint ventures or for general corporate purposes.

The liquidity of the Company is dependent on the Operating Partnership's ability to make sufficient distributions to the Company. The Operating Partnership is a party to loan agreements with various bank lenders that require the Operating Partnership to comply with various financial and other covenants before it may make distributions to the Company. The Company also guarantees some of the Operating Partnership's debt. If the Operating Partnership fails to fulfill its debt requirements, which trigger the Company's guarantee obligations, then the Company may be required to fulfill its cash payment commitments under such guarantees. However, the Company's only material asset is its investment in the Operating Partnership.

The Company believes the Operating Partnership's sources of working capital, specifically its cash flow from operations, and borrowings available under its unsecured credit facilities, are adequate for it to make its distribution payments to the Company and, in turn, for the Company to make its dividend payments to its shareholders. However, there can be no assurance that the Operating Partnership's sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including its ability to make distribution payments to the Company. The unavailability of capital could adversely affect the Operating Partnership's ability to pay its distributions to the Company, which will in turn, adversely affect the Company's ability to pay cash dividends to its shareholders.

For the Company to maintain its qualification as a real estate investment trust, it must pay dividends to its shareholders aggregating annually at least 90% of its taxable income. While historically the Company has satisfied this distribution requirement by making cash distributions to its shareholders, it may choose to satisfy this requirement by making distributions of cash or other property, including, in limited circumstances, the Company's own shares. Based on our 2013 taxable income to shareholders, we were required to distribute approximately $59.7 million to our shareholders in order to maintain our REIT status as described above. We distributed approximately $83.4 million to shareholders which significantly exceeds our required distributions.

As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its on-going operations to the same extent that other companies whose parent companies are not real estate investment trusts can. The Company may need to continue to raise capital in the equity markets to fund the Operating Partnership's working capital needs, as well as potential developments of new or existing properties, acquisitions or investments in existing or newly created joint ventures.

As the sole owner of the general partner with control of the Operating Partnership, the Company consolidates the Operating Partnership for financial reporting purposes. The Company does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. However, all debt is held directly or indirectly at the Operating Partnership level, and the Company has guaranteed some of the Operating Partnership's unsecured debt as discussed below. Because the Company consolidates the Operating Partnership, the section entitled “Liquidity and Capital Resources of the Operating Partnership” should be read in conjunction with this section to understand the liquidity and capital resources of the Company on a consolidated basis and how the Company is operated as a whole.

Liquidity and Capital Resources of the Operating Partnership

General Overview

In this “Liquidity and Capital Resources of the Operating Partnership” section, the terms “we”, “our” and “us” refer to the Operating Partnership or the Operating Partnership and the Company together, as the text requires.

Property rental income represents our primary source to pay property operating expenses, debt service, capital expenditures and distributions, excluding non-recurring capital expenditures and acquisitions. To the extent that our cash flow from operating activities is insufficient to cover such non-recurring capital expenditures and acquisitions, we finance such activities from borrowings under our unsecured lines of credit or from the proceeds from the Operating Partnership's debt offerings and the Company's equity offerings.

We believe we achieve a strong and flexible financial position by attempting to: (1) maintain a conservative leverage position relative to our portfolio when pursuing new development, expansion and acquisition opportunities, (2) extend and sequence debt maturities, (3) manage our interest rate risk through a proper mix of fixed and variable rate debt, (4) maintain access to liquidity by using our lines of credit in a conservative manner and (5) preserve internally generated sources of capital by strategically divesting of our underperforming assets and maintaining a conservative distribution payout ratio. We manage our capital structure to reflect a long-term investment approach and utilize multiple sources of capital to meet our requirements.

Statements of Cash Flows

The following table sets forth our changes in cash flows from 2013 and 2012 (in thousands):

	2013	2012	Change
Net cash provided by operating activities	$ 187,269	$ 165,738	$ 21,531
Net cash used in investing activities	(174,226)	(147,909)	(26,317)
Net cash provided by (used in) financing activities	(7,072)	(15,415)	8,343
Effect of foreign currency rate changes on cash and equivalents	$ (1,282)	$ 15	$ (1,297)
Net increase in cash and cash equivalents	$ 4,689	$ 2,429	$ 2,260

Operating Activities

Cash provided by operating activities during 2013 was positively impacted by an increase in operating income throughout the consolidated portfolio, the acquisition of Deer Park in August 2013, and a $4.8 million increase in cash received from unconsolidated joint ventures as a result of the addition of five centers held in unconsolidated joint ventures since the third quarter of 2012.

Investing Activities

Cash used in investing activities was higher in the 2013 period compared to the 2012 period due primarily to a loan of approximately $89.5 million to Deer Park representing the remaining amount necessary to repay the previous mortgage and mezzanine loans. This impact was partially offset by additional cash received from unconsolidated joint ventures that represented a return of investment, the most significant of which related to the Galveston/Houston joint venture. This venture closed on a mortgage loan with the ability to borrow up to $70.0 million. The joint venture received total loan proceeds of $65.0 million and distributed the proceeds equally to the partners.

Financing Activities

The change in cash used in financing activities is primarily due to an increase in cash dividends paid to shareholders. Significant transactions that impacted the cash used in financing activities in 2013 and 2012 are as follows:

In November 2013, we announced that Tanger Properties Limited Partnership, completed a public offering of $250.0 million in senior notes due 2023 in an underwritten public offering. The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $243.6 million. We used the net proceeds from the sale of the notes to repay borrowings under our unsecured lines of credit.

On February 24, 2012, the Operating Partnership closed on a seven-year $250.0 million unsecured term loan. We used the net proceeds of the term loan to reduce the outstanding balances on our unsecured lines of credit.

Current Development Activities

We intend to continue to grow our portfolio by developing, expanding or acquiring additional outlet centers. In the section below, we describe the new developments that are either currently planned, underway or recently completed. However, you should note that any developments or expansions that we, or a joint venture that we are involved in, have planned or anticipated may not be started or completed as scheduled, or may not result in accretive net income or FFO. See the section “Funds From Operations” in the Management's Discussion and Analysis section for further discussion of FFO. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in an increase in liquidity, net income or funds from operations.

Rental Property Development of Consolidated Properties

Foxwoods, Connecticut

In September 2013, we broke ground at Foxwoods Resort Casino in Mashantucket, Connecticut on Tanger Outlets at Foxwoods. We own a controlling interest in the project, which will be consolidated for financial reporting purposes. To date, we have contributed approximately $7.7 million to the project for construction and development activities. The center will feature approximately 80 brand name and designer outlet stores. The approximately 314,000 square foot project will be suspended above ground to join the resort's two casino floors, which attract millions of visitors each year. We currently expect the property to open in the second quarter of 2015.

Grand Rapids, Michigan

We also intend to develop an approximately 350,000 square foot wholly-owned outlet center in the Grand Rapids, Michigan market. The site is located 11 miles south of downtown Grand Rapids at the southwest quadrant of US-131 and 84th Street in Byron Center, Michigan with visibility from both roads. The center will be located approximately 30 miles east of Lake Michigan and its lakeside communities that are frequented by vacationers. Currently, we estimate the property will open in the second half of 2015.

Current Portfolio Expansions

During 2013, we completed two expansions at existing properties within our wholly-owned portfolio. In April, we expanded Tanger Outlets Gonzales in Gonzales, Louisiana by approximately 40,000 square feet, bringing the property's total gross leasable area to approximately 319,000 square feet. In September, we expanded Tanger Outlets Sevierville in Sevierville, Tennessee by approximately 20,000 square feet, bringing the total gross leasable area to approximately 438,000 square feet.

Other Potential Future Developments and Asset Dispositions

As of the date of this filing, we are in the initial study period for potential new developments, including sites located in Columbus, Ohio; and Scottsdale, Arizona; as well as planned expansions of existing centers in Park City, Utah; Branson, Missouri and Glendale, Arizona. The Columbus site and the Glendale expansion, if developed, will be undertaken by joint ventures. We may also use joint venture arrangements to develop other potential sites. There can be no assurance, however, that these potential future developments will ultimately be developed.

In the case of projects to be wholly-owned by us, we expect to fund these projects from amounts available under our unsecured lines of credit, but may also fund them with capital from additional public debt and equity offerings. For projects to be developed through joint venture arrangements, we may use collateralized construction loans to fund a portion of the project, with our share of the equity requirements funded from sources described above.

From time to time, we may sell one or more outlet centers that do not meet our long-term investment criteria. As of the date of this filing, we are marketing the potential sale of 5 of our consolidated outlet centers. We have not entered into a binding contract and have not obtained final approval from our Board of Directors to sell these outlet centers, thus we can give no assurance that these sales will be completed. Proceeds generated by these asset sales, if completed, will be used to fund the development projects discussed above, pay down outstanding debt and/or for other general corporate purposes.

Unconsolidated Joint Venture Developments

We have formed joint venture arrangements to develop outlet centers that are currently in various stages of development in several markets. See "Off-Balance Sheet Arrangements" for a discussion of unconsolidated joint venture development activities.

Financing Arrangements

As of December 31, 2013, unsecured borrowings represented 81% of our outstanding debt and 80% of the gross book value of our real estate portfolio was unencumbered. We maintain unsecured lines of credit that provide for borrowings of up to $520.0 million and bear interest at a rate of LIBOR + 1.00%. The unsecured lines of credit include a $20.0 million liquidity line and a $500.0 million syndicated line. The syndicated line may be increased to $750.0 million through an accordion feature in certain circumstances. The unsecured lines of credit have an expiration date of October 24, 2017 with an option for a one year extension. The Company guarantees the Operating Partnership's obligations under these lines.

2013 Transactions

Assumption of $150.0 Million Mortgage and Entrance into Derivatives

In August 2013, as part of the acquisition of a controlling interest in Deer Park, we assumed a $150.0 million interest only mortgage loan, including a fair value discount of $1.6 million. The loan has a 5 year term and carries an interest rate of LIBOR + 1.50%. In October 2013, we entered into interest rate swap agreements to reduce our floating rate debt exposure by locking the interest rate on the $150.0 million mortgage. The interest rate swap agreements fix the base LIBOR rate at an average of 1.30%, creating a contractual interest rate for the loan of 2.80% through August 2018.

Extension of Unsecured Lines of Credit

In October 2013, we closed on amendments to our unsecured lines of credit, extending the maturity, and reducing the overall borrowing costs. The maturity of these facilities was extended from November 10, 2015 to October 24, 2017 with the ability to further extend the maturity for an additional year at our option. The annual commitment fee, which is payable on the full $520.0 million in loan commitments, was reduced from 0.175% to 0.15%, and the interest rate spread over LIBOR was reduced from 1.10% to 1.00% based on our current credit rating.

$250.0 Million Unsecured Senior Notes

In November 2013, we announced that Tanger Properties Limited Partnership, completed a public offering of $250 million in senior notes due 2023 in an underwritten public offering. The notes were priced at 98.360% of the principal amount to yield 4.076% to maturity. The notes will pay interest semi-annually at a rate of 3.875% per annum and mature on December 1, 2023. The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $243.6 million. We used the net proceeds from the sale of the notes to repay borrowings under our unsecured lines of credit.

2012 Transactions

$250.0 Million Unsecured Term Loan

In February 2012, the Operating Partnership closed on a seven-year $250.0 million unsecured term loan. The term loan will be interest only, matures in the first quarter of 2019 and is pre-payable without penalty beginning in the first quarter of 2015. Based on our current credit ratings, the loan has an interest rate of LIBOR + 1.60%. We used the net proceeds of the term loan to reduce the outstanding balances on our unsecured lines of credit.

2011 Transactions

$150.0 Million Senior Unsecured Bridge Loan

In June 2011, the Operating Partnership closed on a $150.0 million senior unsecured bridge loan at an interest rate of LIBOR + 1.60% and used the proceeds from the loan to fund the acquisition of the Jeffersonville, Ohio outlet center. In November 2011, the Operating Partnership repaid this bridge loan in conjunction with the recast of its unsecured lines of credit.

4.6 Million Common Share Offering

In July 2011, the Company completed a public offering of 4.6 million common shares at a price of $25.662 per share. The net proceeds to the Company from the offering, after deducting estimated offering expenses, were approximately $117.4 million. Net proceeds from the offering were contributed to the Operating Partnership in exchange for 52,000 general partnership common units and 4,548,000 limited partnership common units. The Operating Partnership used the net proceeds from the offering to repay borrowings under its unsecured lines of credit and for general corporate purposes.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in the best interests of our shareholders and unitholders. The Company is a well-known seasoned issuer with a shelf registration that allows us to register unspecified amounts of different classes of securities on Form S-3. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, the sale or lease of outparcels on our existing properties and the sale of certain properties that do not meet our long-term investment criteria. Based on cash provided by operations, existing lines of credit, ongoing relationships with certain financial institutions and our ability to sell debt or issue equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures during 2014.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long-term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders and unitholders are made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under our existing lines of credit or invested in short-term money market or other suitable instruments.

We believe our current balance sheet position is financially sound; however, due to the uncertainty and unpredictability of the capital and credit markets, we can give no assurance that affordable access to capital will exist between now and 2015 when our next significant debt maturities occur. As a result, our current primary focus is to strengthen our capital and liquidity position by controlling and reducing construction and overhead costs, generating positive cash flows from operations to cover our dividend and reducing outstanding debt.

Capital Expenditures

The following table details our capital expenditures for the years ended December 31, 2013 and 2012, respectively (in thousands):

	2013	2012	Change
Capital expenditures analysis:			
New center developments	$ 17,600	$ 5,525	$ 12,075
Center redevelopment	—	392	(392)
Major center renovations	4,595	10,129	(5,534)
Second generation tenant improvement allowances	16,843	10,794	6,049
Other capital expenditures	11,090	7,871	3,219
	50,128	34,711	15,417
Conversion from accrual to cash basis	(2,692)	6,572	(9,264)
Additions to rental property-cash basis	$ 47,436	$ 41,283	$ 6,153

- New center development expenditures, which includes first generation tenant improvement allowances, included expansions in Gonzales, Louisiana and Sevierville, Tennessee and the initial development costs associated with the construction of our center at the Foxwoods Resort Casino in Connecticut in the 2013 period. The 2012 period included expansions to our centers in Locust Grove, Georgia and Gonzales, Louisiana.

- Major center renovations in the 2013 period included renovation activities at our Gonzales, Louisiana center. The 2012 period included on-going renovation efforts at the centers acquired during the second and third quarters of 2011.

- Other capital expenditures in 2013 increased over the 2012 period due to a higher number of other capital expenditure projects within our existing consolidated portfolio.

Contractual Obligations and Commercial Commitments

The following table details our contractual obligations over the next five years and thereafter as of December 31, 2013 (in thousands):

Contractual Obligations	2014	2015	2016	2017	2018	Thereafter	Total
Debt [(1)]	$ 3,603	$ 282,343	$ 20,283	$ 36,708	$ 153,183	$ 834,278	$ 1,330,398
Interest payment [(2)]	59,373	56,713	41,111	40,580	38,124	84,133	320,034
Operating leases	5,602	5,234	5,015	4,875	4,850	280,983	306,559
Deferred financing obligation [(3)]	—	28,388	—	—	—	—	28,388
	$ 68,578	$ 372,678	$ 66,409	$ 82,163	$ 196,157	$ 1,199,394	$ 1,985,379

(1) These amounts represent total future cash payments related to debt obligations outstanding as of December 31, 2013.

(2) These amounts represent future interest payments related to our debt obligations based on the fixed and variable interest rates specified in the associated debt agreements. All of our variable rate debt agreements are based on the one month LIBOR rate, thus for purposes of calculating future interest amounts on variable interest rate debt, the one month LIBOR rate as of December 31, 2013 was used.

(3) As part of the acquisition of a controlling ownership interest in Deer Park, we and the noncontrolling interest have entered into an agreement whereby they may require us to acquire their ownership interest in the property on the second anniversary of the acquisition date for a price of $28.4 million, and we have the option to acquire their ownership interest on the fourth anniversary of the acquisition date at the same price. Due to the other owner's ability to require us to purchase their interest, we have recorded an obligation to redeem their interest at the redemption price as a deferred financing obligation in the other liabilities section of the balance sheet.

In addition to the contractual payment obligations shown in the table above, we have commitments of $71.4 million remaining as of December 31, 2013 related to contracts to complete construction and development activity at centers throughout our consolidated portfolio. These amounts would be primarily funded by amounts available under our unsecured lines of credit but could also be funded by other sources of capital, such as collateralized construction loans or public debt and equity offerings. In addition, we have commitments to pay approximately $14.4 million in tenant allowances for leases that are executed but where the tenant improvements have not been constructed. Payments are only made upon the tenant opening its store, completing its interior construction and submitting the necessary documentation required per its lease. Our portion of contractual commitments to complete construction and development activity related to our unconsolidated joint ventures amounted to approximately $42.9 million at December 31, 2013. In addition, our portion of commitments related to tenant allowances at our joint ventures totalled approximately $3.7 million as of December 31, 2013.

Our debt agreements contain covenants that require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% on a cumulative basis. We have historically been and currently are in compliance with all of our debt covenants. We expect to remain in compliance with all our existing debt covenants; however, should circumstances arise that would cause us to be in default, the various lenders would have the ability to accelerate the maturity on our outstanding debt.

We believe our most restrictive covenants are contained in our senior, unsecured notes. Key financial covenants and their covenant levels include the following:

Senior unsecured notes financial covenants [(1)]	Required	Actual
Total consolidated debt to adjusted total assets	< 60%	48%
Total secured debt to adjusted total assets	< 40%	9%
Total unencumbered assets to unsecured debt	> 150%	188%

(1) For a complete listing of all debt covenants related to our senior unsecured notes, as well as definitions of the above terms, refer to our applicable supplemental indenture filing with the SEC.

We operate in a manner intended to enable us to qualify as a REIT under the Internal Revenue Code, or the Code. A REIT which distributes at least 90% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. Based on our 2013 taxable income to shareholders, we were required to distribute approximately $59.7 million to our shareholders in order to maintain our REIT status as described above. We distributed approximately $83.4 million to shareholders which significantly exceeds our required distributions. If in any taxable year the Company were to fail to qualify as a REIT and certain statutory relief provisions were not applicable, we would not be allowed a deduction for distributions to shareholders in computing taxable income and would be subject to U.S. federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates.

Off-Balance Sheet Arrangements

The following table details certain information as of December 31, 2013 about various unconsolidated real estate joint ventures in which we have an ownership interest:

Joint Venture	Center Location	Ownership %	Square Feet	Carrying Value of Investment (in millions)
Charlotte	Charlotte, NC	50.0	—	$ 11.6
Galveston/Houston	Texas City, TX	50.0	352,705	7.4
National Harbor	Washington D.C. Metro Area	50.0	336,286	16.7
RioCan Canada	Various	50.0	432,836	85.7
Westgate	Glendale, AZ	58.0	331,739	16.1
Wisconsin Dells	Wisconsin Dells, WI	50.0	265,086	2.5
Other			—	0.2
Total				$ 140.2

Each of the above joint ventures contain make whole provisions in the event that demands are made on any existing guarantees. In addition, the joint venture agreements contain other provisions where a venture partner can force the other partners to either buy or sell their investment in the joint venture. Should this occur, we may be required to sell the property to the venture partner or incur a significant cash outflow in order to maintain ownership of these outlet centers.

We provide guaranties to lenders for our joint ventures which include standard non-recourse carve out indemnifications for losses arising from items such as but not limited to fraud, physical waste, payment of taxes, environmental indemnities, misapplication of insurance proceeds or security deposits and failure to maintain required insurance. For construction and term loans, we may include a guaranty of completion as well as a principal guaranty ranging from 5% to 100% of principal. The principal guaranties include terms for release based upon satisfactory completion of construction and performance targets including occupancy thresholds and minimum debt service coverage tests.

Charlotte, North Carolina

In May 2013, we formed a joint venture for the development of an outlet center in the Charlotte, NC market. Subsequently, during the third quarter of 2013, the joint venture began construction on the outlet center which will be located eight miles southwest of uptown Charlotte at the interchange of I-485 and Steele Creek Road (NC Highway 160), two major thoroughfares for the city. The approximately 400,000 square foot center will feature approximately 90 brand name and designer outlet stores and is expected to open during the third quarter of 2014.

As of December 31, 2013, we and our partner had each contributed approximately $11.5 million in cash to the joint venture to fund development activities. We are providing development services to the project; and with our partner, are jointly providing leasing services. Our partner will provide property management and marketing services to the center once open.

Galveston/Houston, Texas

In June 2011, we announced the formation of a joint venture for the development of a Tanger Outlet Center south of Houston in Texas City, Texas. Tanger Outlets Texas City, which opened October 19, 2012, contains approximately 353,000 square feet, with room for expansion for a total build out of approximately 470,000 square feet. The development was initially fully funded with equity contributed to the joint venture by Tanger and its partner. In July 2013, the joint venture closed on a $70.0 million mortgage loan with a rate of LIBOR + 1.50% and a maturity date of July 1, 2017, with the option to extend the maturity for one additional year. The joint venture received total loan proceeds of $65.0 million and distributed the proceeds equally to the partners. We used our share of the proceeds to reduce amounts outstanding under our unsecured lines of credit. We provide property management and marketing services to the center; and with our partner, are jointly providing development and leasing services.

National Harbor, Washington, D.C. Metro Area

In May 2011, we announced the formation of a joint venture for the development of a Tanger Outlet Center at National Harbor in the Washington, D.C. Metro area. In November 2012, the joint venture broke ground and began development and both parties made equity contributions of $17.2 million to fund initial development costs. In May 2013, the joint venture closed on a construction loan with the ability to borrow up to $62.0 million and which carries an interest rate of LIBOR + 1.65%. As of December 31, 2013, the balance on the loan was $52.4 million. The approximately 336,000 square feet center opened in November 2013 and contains approximately 80 brand name and designer outlet stores. We provide property management, leasing and marketing services to the joint venture; and with our partner, jointly provided site development and construction supervision services.

RioCan Canada

We have entered into a 50/50 co-ownership agreement with RioCan Real Estate Investment Trust to develop and acquire outlet centers in Canada. Any projects developed or acquired will be branded as Tanger Outlet Centers. We provide leasing and marketing services and RioCan provides development and property management services.

In December 2011, the co-owners purchased the Cookstown Outlet Mall. The existing outlet center was acquired for $47.4 million, plus an additional $13.8 million for excess land upon the seller meeting certain conditions, for an aggregate purchase price of $61.2 million. In connection with the purchase, the co-owners assumed the in place financing of $29.6 million. In March 2012, the co-owners retired the outstanding loan and we contributed an additional $15.1 million to fund our portion of the payment. In March of 2013 the co-owners acquired the land adjacent to the existing Cookstown Outlet Mall for $13.9 million. The land is being used for the expansion of the Cookstown Outlet Mall which began in May 2013. The expansion, which is expected to open in the fourth quarter of 2014, will add approximately 153,000 square feet to the center and will add approximately 35 new brand name and designer outlet stores to the center.

In November 2012, the co-owners acquired two existing outlet centers in the Montreal, Quebec market for an aggregate purchase price of approximately $94.8 million. The purchase price included the assumption of mortgages totaling $18.7 million at Les Factoreries Saint-Sauveur, which carry a weighted average interest rate of 5.7% and mature in 2015 and 2020. There is no in-place financing associated with the Bromont Outlet Mall acquisition.

Les Factoreries Saint-Sauveur, is located northwest of Montreal adjacent to Highway 15 in the town of Saint-Sauveur, Quebec. The property was built in 1980 and expanded in 2006, and is approximately 116,000 square feet with the potential to expand to approximately 131,000 square feet.

The Bromont Outlet Mall, is located east of Montreal near the eastern townships adjacent to Highway 10 in the town of Bromont, Quebec. The property was built in 2004 and expanded through 2011, and is approximately 162,000 square feet with the potential to expand to approximately 251,000 square feet.

Also, during the second quarter of 2013, the co-owners purchased land for $28.7 million and broke ground on Tanger Outlets Ottawa, the first ground up development of a Tanger Outlet Center in Canada. Located in suburban Kanata off the TransCanada Highway (Highway 417) at Palladium Drive , this center will contain approximately 303,000 square feet and will feature approximately 80 brand name and designer outlet stores. The center is currently expected to open in the fourth quarter of 2014.

Savannah, Georgia

In January 2014, we announced our plans to develop Tanger Outlets Savannah through a joint venture arrangement. The center will include approximately 385,000 square feet and feature approximately 90 brand name and designer outlet stores. In January 2014 we purchased the land on which the center is being developed for $12.9 million and contributed it to the joint venture in February 2014. As of the date of this filing our equity contributions totaled $17.1 million and our partner's equity contribution totaled $7.4 million. The site is located on I-95, just north of I-16 in Pooler, Georgia, adjacent to the City of Savannah, and near the Savannah International Airport. We expect the center's location to capitalize on the Tanger Outlets brand equity in the region and to provide marketing and management synergies with our centers in Charleston, Hilton Head, and Myrtle Beach, South Carolina; and Commerce and Locust Grove, Georgia.

Westgate, Glendale, Arizona

On May 4, 2012, we formed a joint venture for the development of a Tanger Outlet Center in Glendale, Arizona. On June 27, 2012, the joint venture closed on a construction loan with the ability to borrow up to $48.3 million, which carries an interest rate of LIBOR + 1.75%. As of December 31, 2013, the joint venture's balance on the loan was $43.1 million. The approximately 332,000 square feet center, which opened on November 15, 2012, features approximately 80 brand name and designer outlet stores in the first phase, with room for expansion for a total build out of approximately 410,000 square feet. We provide property management, construction supervision, leasing and marketing services to the joint venture.

Wisconsin Dells, Wisconsin

In March 2005, we established the Wisconsin Dells joint venture to construct and operate a Tanger Outlet Center in Wisconsin Dells, Wisconsin. In December 2012, the joint venture closed on the refinance of its $24.3 million mortgage loan. The refinanced interest-only, non-recourse mortgage loan has a 10 year term and carries an interest rate of LIBOR + 2.25%. We are providing property management, leasing and marketing services to the joint venture.

The following table details the debt maturities of the unconsolidated joint ventures as of December 31, 2013 (in millions):

Joint Venture	Total Joint Venture Debt (in millions)	Maturity Date	Interest Rate
Galveston/Houston	$ 65.0	July 2017	LIBOR + 1.50%
National Harbor	52.4	May 2016	LIBOR + 1.65%
RioCan Canada	17.9	June 2015 and May 2020	5.10% to 5.75%
Westgate	43.1	June 2015	LIBOR + 1.75%
Wisconsin Dells	24.3	December 2022	LIBOR + 2.25%

Fees we received for various services provided to our unconsolidated joint ventures during 2013, 2012 and 2011, which we believe approximate current market rates, were recognized as follows (in thousands):

	Year Ended December 31,		
	2013	2012	2011
Fees:			
Development and leasing	$ 595	$ 193	$ 5
Loan guarantee	161	80	—
Management	1,831	1,301	1,048
Marketing	493	433	163
Total Fees	$ 3,080	$ 2,007	$ 1,216

Critical Accounting Estimates

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Principles of Consolidation

The consolidated financial statements of the Company include its accounts and its wholly-owned subsidiaries, as well as the Operating Partnership and its subsidiaries. The consolidated financial statements of the Operating Partnership include its accounts and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation. Investments in real estate joint ventures in which we have a non-controlling ownership interest are accounted for using the equity method of accounting.

In accordance with amended guidance related to the consolidation of variable interest entities which became effective January 1, 2010, we perform an analysis of all of our real estate joint ventures to determine whether they qualify as variable interest entities, ("VIE"), and whether the joint venture should be consolidated or accounted for as an equity method investment in an unconsolidated joint venture. Our analysis includes our judgment with respect to our level of influence or control of an entity and whether we are the primary beneficiary of a VIE. We consider various factors including the form of our ownership interest, our representation in an entity's governance, the size of our investment, our ability to participate in policy making decisions and the rights of the other investors to participate in the decision making process to replace us as manager and or liquidate the venture, if applicable. If we do not evaluate these joint ventures correctly under the amended guidance, we could significantly overstate or understate our financial condition and results of operations.

Acquisition of Real Estate

We allocate the purchase price of acquisitions based on the fair value of land, building, tenant improvements, debt and deferred lease costs and other intangibles, such as the value of leases with above or below market rents, origination costs associated with the in-place leases, and the value of in-place leases and tenant relationships, if any. We depreciate the amount allocated to building, deferred lease costs and other intangible assets over their estimated useful lives, which generally range from 3 to 33 years. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. The values of below market leases that are considered to have renewal periods with below market rents are amortized over the remaining term of the associated lease plus the renewal periods when the renewal is deemed probable to occur. The value associated with in-place leases is amortized over the remaining lease term and tenant relationships is amortized over the expected term, which includes an estimated probability of the lease renewal. If a tenant terminates its lease prior to the contractual termination date of the lease and no rental payments are being made on the lease, any unamortized balance of the related deferred lease costs is written off. The tenant improvements and origination costs are amortized as an expense over the remaining life of the lease (or charged against earnings if the lease is terminated prior to its contractual expiration date). We assess fair value based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information.

If we do not allocate appropriately to the separate components of rental property, deferred lease costs and other intangibles or if we do not estimate correctly the total value of the property or the useful lives of the assets, our computation of depreciation and amortization expense may be significantly understated or overstated.

Cost Capitalization

We capitalize all incremental, direct fees and costs incurred to originate operating leases as deferred charges. We amortize these costs to expense over the minimum lease term. We capitalize all costs incurred for the construction and development of properties, including interest costs, during the active development period.

If we incorrectly estimate the amount of costs to capitalize, we could significantly overstate or understate our financial condition and results of operations.

Impairment of Long-Lived Assets and Investments in Unconsolidated Entities

Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value. If we do not recognize impairments at appropriate times and in appropriate amounts, our consolidated balance sheet may overstate the value of our long-lived assets. We believe that no impairment existed at December 31, 2013.

On a periodic basis, we assess whether there are any indicators that the value of our investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investments, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. Our estimates of value for each joint venture investment are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates and operating costs of the property. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the values estimated by us in our impairment analysis may not be realized.

Revenue Recognition

Base rentals are recognized on a straight-line basis over the term of the lease. As a provision of a tenant lease, if we make a cash payment to the tenant for purposes other than funding the construction of landlord assets, we defer the amount of such payments as a lease incentive. We amortize lease incentives as a reduction of base rental revenue over the term of the lease. Substantially all leases contain provisions which provide additional rents based on each tenants' sales volume (“percentage rentals”) and reimbursement of the tenants' share of advertising and promotion, common area maintenance, insurance and real estate tax expenses. Percentage rentals are recognized when specified targets that trigger the contingent rent are met. Expense reimbursements are recognized in the period the applicable expenses are incurred. Payments received from the early termination of leases are recognized as revenue from the time payment is receivable until the tenant vacates the space.

SUPPLEMENTAL EARNINGS MEASURES

Funds from Operations

Funds from Operations represents income before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization uniquely significant to real estate, impairment losses on depreciable real estate of consolidated real estate and after adjustments for unconsolidated partnerships and joint ventures, including depreciation and amortization, and impairment losses on investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures.

FFO is intended to exclude historical cost depreciation of real estate as required by United States Generally Accepted Accounting Principles ("GAAP"), which assumes that the value of real estate assets diminishes 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 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, a percentage of bonus compensation to certain members of management is based 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, which includes discontinued operations, may not 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.

Below is a reconciliation of net income to FFO for the years ended December 31, 2013, 2012 and 2011 as well as other data for those respective periods (in thousands, except per share and unit amounts):

	2013	2012	2011
Funds from Operations:			
Net income	$ 113,321	$ 56,476	$ 50,989
Adjusted for:			
Depreciation and amortization uniquely significant to real estate - consolidated	94,515	97,760	83,275
Depreciation and amortization uniquely significant to real estate - unconsolidated joint ventures	12,419	8,105	5,175
Gain on previously held interest in acquired joint venture	(26,002)	—	—
Impairment charges - unconsolidated joint ventures	—	140	300
Funds from operations	194,253	162,481	139,739
FFO attributable to noncontrolling interests in other consolidated partnerships	(202)	(26)	(37)
Allocation of FFO to participating securities	(2,025)	(1,576)	(1,240)
Funds from operations available to common shareholders and noncontrolling interests in Operating Partnership	$ 192,026	$ 160,879	$ 138,462
Tanger Factory Outlet Centers, Inc.:			
Weighted average common shares outstanding (1) (2)	99,129	98,605	96,021
Dilutive funds from operations per share	$ 1.94	$ 1.63	$ 1.44
Tanger Properties Limited Partnership:			
Weighted average Operating Partnership units outstanding (1)	99,129	98,605	96,021
Dilutive funds from operations per unit	$ 1.94	$ 1.63	$ 1.44

(1) Includes the dilutive effect of options, restricted shares not considered participating securities, notional units and exchangeable notes.

(2) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interest are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

Adjusted Funds from Operations

We present Adjusted Funds From Operations ("AFFO"), as a supplemental measure of our performance. We define AFFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized in the table below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating AFFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of AFFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present AFFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we use AFFO, or some form of AFFO, when certain material, unplanned transactions occur, as a factor in evaluating management's performance when determining incentive compensation and to evaluate the effectiveness of our business strategies.

AFFO has limitations as an analytical tool. Some of these limitations are:

- AFFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;

- AFFO 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 AFFO does not reflect any cash requirements for such replacements;

- AFFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and

- other companies in our industry may calculate AFFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, AFFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using AFFO only supplementally.

Below is a reconciliation of FFO to AFFO for the years ended December 31, 2013, 2012 and 2011 as well as other data for those respective periods (in thousands, except per share and unit amounts):

	2013	2012	2011
Adjusted Funds from Operations:			
Funds from operations	$ 194,253	$ 162,481	$ 139,739
Adjusted for non-core items:			
Acquisition costs	1,203	117	2,736
Abandoned development costs	—	—	158
Demolition costs	140	—	—
AFFO adjustments from unconsolidated joint ventures [1]	(7,422)	1,370	—
Adjusted funds from operations (AFFO)	188,174	163,968	142,633
AFFO attributable to noncontrolling interests in other consolidated partnerships	(202)	(26)	(37)
Allocation of AFFO to participating securities	(1,958)	(1,590)	(1,266)
Adjusted funds from operations available to common shareholders and noncontrolling interest in Operating Partnership	$ 186,014	$ 162,352	$ 141,330
Tanger Factory Outlet Centers, Inc.:			
Weighted average common shares outstanding [2] [3]	99,129	98,605	96,021
Dilutive adjusted funds from operations per share	$ 1.88	$ 1.65	$ 1.47
Tanger Properties Limited Partnership:			
Weighted average Operating Partnership units outstanding [2]	99,129	98,605	96,021
Dilutive adjusted funds from operations per unit	$ 1.88	$ 1.65	$ 1.47

(1) Includes our share of acquisition costs, litigation settlement proceeds, abandoned development costs and gain on early extinguishment of debt from unconsolidated joint ventures. The gain on early extinguishment of debt was $4.6 million and the litigation settlement proceeds were $3.2 million, for the year ended, December 31, 2013.

(2) Includes the dilutive effect of options, restricted shares not considered participating securities, notional units and exchangeable notes.

(3) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interest are exchanged for common shares of the Company.

Same Center Net Operating Income

We present Same Center Net Operating Income (“NOI”) as a supplemental measure of our performance. We define Net Operating Income ("NOI") as total operating revenues less property operating expenses. Same Center NOI represents the NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, renovated or subject to a material, non-recurring event, such as a natural disaster, during the comparable reporting periods. We believe that NOI and Same Center NOI provide useful information to our investors and analysts about our financial and operating performance because it provides a performance measure of the revenues and expenses directly involved in owning and operating real estate assets and provides a perspective not immediately apparent from net income or FFO. Because Same Center NOI excludes the change in NOI from properties developed, redeveloped, acquired and sold, it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Same Center NOI, and accordingly, our Same Center NOI may not be comparable to other REITs.

Same Center NOI should not be viewed as an alternative measure of the Company's financial performance since it does not reflect the operations of the Company's entire portfolio, nor does it reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, and the level of capital expenditures and leasing costs necessary to maintain the operating performance of the Company's properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact the Company's results from operations.

Below is a reconciliation of income before equity in losses of unconsolidated joint ventures to Same Center NOI (in thousands):

	2013	2012
Same Center Net Operating Income		
Income before equity in earnings (losses) of unconsolidated joint ventures	$ 102,281	$ 59,771
Interest expense	51,616	49,814
Gain on previously held interest in acquired joint venture	(26,002)	—
Operating income	127,895	109,585
Adjusted to exclude:		
Depreciation and amortization	95,746	98,683
Other non-property income and losses	(8,821)	(5,615)
Acquisition costs	1,203	117
General and administrative expenses	39,119	37,452
Property net operating income	255,142	240,222
Less: non-cash adjustments and termination rents (1)	(5,596)	(5,470)
Property net operating income - cash basis	249,546	234,752
Less: non-same center and other NOI (2)	(5,296)	(505)
Total same center NOI - cash basis	$ 244,250	$ 234,247

(1) Non-cash items include straight-line rent, net above and below market rent amortization and gains or losses on outparcel sales.

(2) Excluded from Same Center NOI are the following:

a. Locust Grove - 26,000 square foot expansion which opened during April 2012.

b. Gonzales - 40,000 square foot expansion which opened during March and April 2013.

c. Sevierville - 20,000 expansion which opened during September 2013.

d. Deer Park - The Company acquired a controlling interest in the741,981 square foot center located in Deer Park, NY on August 30, 2013.

Economic Conditions and Outlook

The majority of our leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling us to receive percentage rentals based on tenants' gross sales (above predetermined levels, which we believe often are lower than traditional retail industry standards) which generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

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

Due to the relatively short-term nature of our tenants' leases, a significant portion of the leases in our portfolio come up for renewal each year. During 2013, approximately 2.0 million square feet, or 18%, of our then owned, consolidated portfolio came up for renewal and 1.6 million, or 14%, of our current consolidated portfolio will come up for renewal in 2014. During 2013, we renewed 81% of the square feet that came up for renewal with the existing tenants at a 19% increase in the average base rental rate compared to the expiring rate. We also re-tenanted 510,000 square feet at a 38% increase in the average base rental rate. In addition, we continue to attract and retain additional tenants. However, there can be no assurance that we can achieve similar increases in base rental rates. In addition, if we were unable to successfully renew or release a significant amount of this space on favorable economic terms, the loss in rent could have a material adverse effect on our results of operations.

Our outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of well-known tenants and a geographically diverse portfolio of properties located across the United States, we reduce our operating and leasing risks. No one tenant (including affiliates) accounts for more than 7.8% of our square feet or 5.0% of our combined base and percentage rental revenues. Accordingly, although we can give no assurance, we do not expect any material adverse impact on our results of operations and financial condition as a result of leases to be renewed or stores to be released. As of December 31, 2013 and 2012, respectively, occupancy at our consolidated outlet centers was approximately 99% for both periods.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We may periodically enter into certain interest rate protection and interest rate swap agreements to effectively convert existing floating rate debt to a fixed rate basis. We do not enter into derivatives or other financial instruments for trading or speculative purposes. We are also exposed to foreign currency risk on investments in outlet centers that are located in Canada. Our currency exposure is concentrated in the Canadian Dollar. We typically reinvest net cash flow from our Canadian joint ventures to fund future Canadian development activity. We believe this strategy mitigates some of the risk of our initial investment and our exposure to changes in foreign currencies. We generally do not hedge currency translation exposures.

In August 2013, as part of the acquisition of a controlling interest in Deer Park, we assumed a $150.0 million interest only mortgage loan, including a fair value discount of $1.6 million. The loan has a 5 year term and carries an interest rate of LIBOR + 1.50%. In October 2013, we entered into interest rate swap agreements to reduce our floating rate debt exposure by locking the interest rate on the $150.0 million mortgage. The interest rate swap agreements fix the base LIBOR rate at an average of 1.30%, creating a contractual interest rate for the loan of 2.80% through August 2018. The fair value of the interest rate swap agreements represents the estimated receipts or payments that would be made to terminate the agreement. At December 31, 2013, the fair value of these contracts was $1.3 million. The fair value is based on dealer quotes, considering current interest rates, remaining term to maturity and our credit standing.

As of December 31, 2013, 21% of our outstanding debt had variable interest rates, excluding variable rate debt with interest rate protection agreements in place, and therefore were subject to market fluctuations. An increase in the LIBOR index of 100 basis points would result in an increase of approximately $2.7 million in interest expense on an annual basis. The information presented herein is merely an estimate and has limited predictive value. As a result, the ultimate effect upon our operating results of interest rate fluctuations will depend on the interest rate exposures that arise during the period, our hedging strategies at that time and future changes in the level of interest rates.

The estimated fair value of our debt, consisting of senior unsecured notes, unsecured term loan and unsecured lines of credit, at December 31, 2013 and 2012 was $1.4 billion and $1.2 billion, respectively, and its recorded value was $ 1.3 billion and $1.1 billion, respectively. A 100 basis point increase from prevailing interest rates at December 31, 2013 and 2012 would result in a decrease in fair value of total debt by approximately $ 46.3 million and $34.8 million, respectively. Fair values were determined, based on level 2 inputs, using discounted cash flow analysis with an interest rate or credit spread similar to that of current market borrowing arrangements.

Item 8. Financial Statements and Supplementary Data

The information required by this Item is set forth on the pages indicated in Item 15(a) below.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Tanger Factory Outlet Centers, Inc.

(a) Evaluation of disclosure control procedures.

The Chief Executive Officer, Steven B. Tanger (Principal Executive Officer), and Chief Financial Officer, Frank C. Marchisello Jr. (Principal Financial Officer), evaluated the effectiveness of the Company's disclosure controls and procedures on December 31, 2013 and concluded that, as of that date, the Company's disclosure controls and procedures were effective to ensure that the information the Company is required to disclose in its filings with the SEC under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and to ensure that information required to be disclosed by the Company in the reports that it files under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's report on internal control over financial reporting.

Internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining policies and procedures designed to maintain the adequacy of the Company's internal control over financial reporting, including those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management has evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 based on the criteria established in a report entitled Internal Control-Integrated Framework (1992), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment and those criteria, the Company's management has concluded that the Company's internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2013.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

(c) There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Tanger Properties Limited Partnership

(a) Evaluation of disclosure control procedures.

The Chief Executive Officer, Steven B. Tanger (Principal Executive Officer), and Vice President and Treasurer, Frank C. Marchisello Jr. (Principal Financial Officer) of Tanger GP Trust, sole general partner of the Operating Partnership, evaluated the effectiveness of the registrant's disclosure controls and procedures on December 31, 2013 and concluded that, as of that date, the registrant's disclosure controls and procedures were effective to ensure that the information the registrant is required to disclose in its filings with the Commission under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed by the registrant in the reports that it files under the Exchange Act is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's report on internal control over financial reporting.

Internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, is a process designed by, or under the supervision of, the Operating Partnership's Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, and effected by the Operating Partnership's board of trustees, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Operating Partnership's management, with the participation of the Operating Partnership's Principal Executive Officer and Principal Financial Officer, is responsible for establishing and maintaining policies and procedures designed to maintain the adequacy of the Operating Partnership's internal control over financial reporting, including those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Operating Partnership;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Operating Partnership are being made only in accordance with authorizations of management and trustees of the Operating Partnership; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Operating Partnership's assets that could have a material effect on the financial statements.

The Operating Partnership's management has evaluated the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2013 based on the criteria established in a report entitled Internal Control-Integrated Framework (1992), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment and those criteria, the Operating Partnership's management has concluded that the Operating Partnership's internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2013.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

(c) There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

All information required to be disclosed in a report on Form 8-K during the fourth quarter of 2013 was reported.

PART III

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

Item 10. Directors, Executive Officers and Corporate Governance

The information concerning the Company's directors required by this Item is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

The information concerning the Company's executive officers required by this Item is incorporated herein by reference to the section at the end of Part I, entitled "Executive Officers of Tanger Factory Outlet Centers, Inc."

The information regarding compliance with Section 16 of the Exchange Act is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

The information concerning our Company Code of Ethics required by this Item, which is posted on our website at www.tangeroutlet.com, is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this annual report on Form 10-K or any other report or document we file with or furnish to the SEC.

The information concerning our corporate governance required by this Item is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

The information concerning the security ownership of certain beneficial owners and management required by this Item is incorporated by reference herein to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

The table below provides information as of December 31, 2013 with respect to compensation plans under which our equity securities are authorized for issuance. For each common share issued by the Company, the Operating Partnership issues one corresponding unit of partnership interest to the Company's wholly owned subsidiaries. Therefore, when the Company grants an equity based award, the Operating Partnership treats each award as having been granted by the Operating Partnership. In the discussion below, the term "we" refers to the Company and the Operating Partnership together and the term "common shares" is meant to also include corresponding units of the Operating Partnership.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1)	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (2)
Equity compensation plans approved by security holders	1,415,219	$ 24.13	3,140,128
Equity compensation plans not approved by security holders	—	—	—
Total	1,415,219	$ 24.13	3,140,128

(1) Includes 933,769 restricted common shares that were issued in January 2014 under the 2010 Multi-Year Performance Plan. Under the plan, we issued 392,000 notional units, net of notional units forfeited, which would convert into restricted common shares on a one-for one basis to one-for-three basis depending upon the amount by which the Company's common shares appreciated above a minimum level over a four year performance period ending December 31, 2013. Also includes 315,150 restricted common shares, the maximum amount of restricted common shares that may be issued under the 2013 Outperformance Plan (the "2013 OPP"). Under the 2013 OPP, award recipients may earn up to an aggregate of 315,150 restricted common shares of the Company based on the Company's absolute share price appreciation (or total shareholder return) and its share price appreciation relative to its peer group, over a three year measurement period from January 1, 2013 through December 31, 2015.The weighted average exercise price in column (b) does not take these awards into account.

(2) Represents common shares available for issuance under the Amended and Restated Incentive Award Plan. Under the Amended and Restated Incentive Award Plan, the Company may award restricted common shares, performance awards, deferred shares and share payments.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

Item 14. Principal Accounting Fees and Services

The information required by Item 9(e) of Schedule 14A is incorporated herein by reference to the Company's Proxy Statement to be filed with respect to the Company's Annual Meeting of Shareholders which is expected to be held on May 16, 2014.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) and (2) Documents filed as a part of this report:

(a) (1) Financial Statements

(a) (2) Financial Statement Schedules

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

3. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of the Company. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.)
3.1A	Amendment to Amended and Restated Articles of Incorporation dated May 29, 1996. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.)
3.1B	Amendment to Amended and Restated Articles of Incorporation dated August 20, 1998. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.)
3.1C	Amendment to Amended and Restated Articles of Incorporation dated September 30, 1999. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1999.)
3.1D	Amendment to Amended and Restated Articles of Incorporation dated November 10, 2005. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated November 10, 2005.)
3.1E	Amendment to Amended and Restated Articles of Incorporation dated June 13, 2007. (Incorporated by reference to the exhibits of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.)
3.1F	Articles of Amendment to Amended and Restated Articles of Incorporation dated August 27, 2008. (Incorporated by reference to the exhibits of the Company's current report on Form 8-K dated August 29, 2008).
3.1G	Articles of Amendment to Amended and Restated Articles of Incorporation of Tanger Factory Outlet Centers, Inc. dated May 18, 2011. (Incorporated by reference to the exhibits of the Company's and Operating Partnership's Report on Form 10-Q for the quarter ended June 30, 2011.)
3.1 H	Articles of Amendment to Amended and Restated Articles of Incorporation of Tanger Factory Outlet Centers, Inc., dated May 24, 2012. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Form S-3 dated June 7, 2012.)
3.2	By-laws of Tanger Factory Outlet Centers, Inc. restated to reflect all amendments through May 18, 2012. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Form S-3 dated June 7, 2012.)
3.3	Amended and Restated Agreement of Limited Partnership for Tanger Properties Limited Partnership dated August 30, 2013.
4.1	Form of Senior Indenture. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.)
4.1A	Form of First Supplemental Indenture (to Senior Indenture). (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.)
4.1B	Form of Second Supplemental Indenture (to Senior Indenture) dated October 24, 1997 among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and State Street Bank & Trust Company. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated October 29, 1997.)
4.1C	Form of Third Supplemental Indenture (to Senior Indenture) dated February 15, 2001. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated February 16, 2001.)
4.1D	Form of Fourth Supplemental Indenture (to Senior Indenture) dated November 4, 2005. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2006.)

4.1E	Form of Fifth Supplemental Indenture (to Senior Indenture) dated August 16, 2006. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2006.)
4.1F	Form of Sixth Supplemental Indenture (to Senior Indenture) dated July 2, 2009. (Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-3 filed on July 2, 2009.)
4.1G	Form of Seventh Supplemental Indenture (to Senior Indenture) dated June 7, 2010. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated June 7, 2010.)
4.1H	Form of Eighth Supplemental Indenture (to Senior Indenture) dated November 25, 2013. (Incorporated by reference to exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated November 25, 2013.)
10.1 *	Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership, effective December 29, 2008. (Incorporated by reference to the Company's Current Report on Form 8-K/A dated March 20, 2009.)
10.1A *	Amendment to the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership, dated May 14, 2010. (Incorporated by reference to the Company's and Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010.)
10.2 *	Form of Stock Option Agreement between the Company and certain Directors. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.)
10.3 *	Form of Unit Option Agreement between the Operating Partnership and certain employees. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.)
10.4 *	Form of Non-Qualified Share Option Agreement between Tanger Factory Outlet Centers, Inc., Tanger Properties Limited Partnership and certain employees. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.)
10.5 *	Amended and Restated Employment Agreement of Steven B. Tanger dated February 28, 2012. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated February 29, 2012.)
10.6 *	Amended and Restated Employment Agreement for Frank C. Marchisello, Jr., as of December 29, 2008. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated December 31, 2008.)
10.7 *	Amended and Restated Employment Agreement for Lisa J. Morrison, as of December 29, 2008. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated December 31, 2008.)
10.8 *	Amended and Restated Employment Agreement for Carrie A. Geldner, as of December 29, 2008. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2009.)
10.9 *	Employment Agreement for Chad D. Perry, dated as of December 12, 2011. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2011.)
10.10 *	Employment Agreement for Thomas E. McDonough, dated August 23, 2010. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on form 8-K dated August 23, 2010.)
10.11 *	Amended and Restated Employment Agreement for James F. Williams, as of December 29, 2008. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2012.)

10.12 *	Amended and Restated Employment Agreement for Virginia R. Summerell, as of December 29, 2008. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2012.)
10.13 *	Employment Agreement for Manuel O. Jessup, dated October 5, 2012.(Incorporated by reference to the exhibits to the Company's and Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2012.)
10.14	Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.)
10.14A	Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.)
10.14B	Second Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger dated September 4, 2002. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.)
10.14C	Third Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger dated December 5, 2003. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.)
10.14D	Fourth Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger dated August 8, 2006. (Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-3, dated August 9, 2006.)
10.14E	Fifth Amendment to Registration Rights Agreement among the Company, The Tanger Family Limited Partnership and Stanley K. Tanger dated August 10, 2009. (Incorporated by reference to exhibits to the Company's Current Report on Form 8-K dated August 14, 2009.)
10.15	Registration Rights Agreement amount Tanger Factory Outlet Centers, Inc., Tanger Properties Limited Partnership and DPSW Deer Park LLC. (Incorporated by reference to the exhibits to the Company's and the Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013.)
10.16	Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.)
10.17	Assignment and Assumption Agreement among Stanley K. Tanger, Stanley K. Tanger & Company, the Tanger Family Limited Partnership, the Operating Partnership and the Company. (Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.)
10.18	COROC Holdings, LLC Limited Liability Company Agreement dated October 3, 2003. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated December 8, 2003.)
10.19	Form of Shopping Center Management Agreement between owners of COROC Holdings, LLC and Tanger Properties Limited Partnership. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated December 8, 2003.)
10.20 *	Form of Restricted Share Agreement between the Company and certain Officers. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2008.)
10.21 *	Form of Restricted Share Agreement between the Company and certain Officers with certain performance criteria vesting. (Incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.)

10.21A *	Form of Amendment to Restricted Share Agreement between the Company and certain Officers with certain performance criteria vesting. (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2008.)
10.22 *	Form of Restricted Share Agreement between the Company and certain Directors. (Incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.)
10.23 *	Restricted Share Agreement between the Company and Steven. B. Tanger dated February 28, 2012. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.)
10.24 *	Form of Tanger Factory Outlet Centers, Inc. Notional Unit Award Agreement between the Company and certain Officers. (Incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.)
10.25*	Form of 2013 Outperformance Plan Notional Unit Award agreement. (Incorporated by reference to the Company's and Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.)
10.26 *	Director Deferred Share Program of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership. (Incorporated by reference to the exhibits to the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2012.)
10.27	Purchase Agreement between Tanger Factory Outlet Centers, Inc. and Cohen & Steers Capital Management, Inc. relating to a registered direct offering of 3,000,000 of the Company's common shares dated August 30, 2005. (Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 31, 2005.)
10.28	Credit Agreement, dated as of November 29, 2010, among Tanger Properties Limited Partnership, as the Borrower, Bank of America, N.A., as Administrative Agent, and the Other Lenders Party Thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger to Banc of America Securities LLC, and Wells Fargo Securities, LLC, as Joint Bookrunners and Joint Lead Arrangers, Wells Fargo Bank, National Association, as Syndication Agent, and Branch Banking and Trust Company, SunTrust Bank and U.S. Bank National Association, as Documentation Agents. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated December 3, 2010.)
10.29	Amended and Restated Credit Agreement, dated as of November 10, 2011, among Tanger Properties Limited Partnership, as the Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and The Other Lenders Party Hereto, Bank of America Merrill Lynch, Well Fargo Securities, LLC, and US Bank National Association, as Joint Bookrunners and Joint Lead Arrangers, Well Fargo Bank, National Association, as Syndication Agent, US Bank National Association, as Syndication Agent, Suntrust Bank, as Documentation Agent and Branch Banking and Trust Company, as Documentation Agent. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated November 15, 2011.)
10.30	Modification Agreement, dated October 24, 2013 to the Amended and Restated Credit Agreement, dated as of November 10, 2011, among Tanger Properties Limited Partnership, as the Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and The Other Lenders Party Hereto, Bank of America Merrill Lynch, Well Fargo Securities, LLC, and US Bank National Association, as Joint Bookrunners and Joint Lead Arrangers, Well Fargo Bank, National Association, as Syndication Agent, US Bank National Association, as Syndication Agent, Suntrust Bank, as Documentation Agent and Branch Banking and Trust Company, as Documentation Agent.
10.31	Bridge Term Loan Agreement dated June 27, 2011 between Tanger Properties Limited Partnership and Wells Fargo Bank, National Association, as administrative and syndication agent and Wells Fargo Securities, LLC, as bookrunner and lead arranger. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated June 27, 2011.)

10.32	Term loan credit agreement dated February 24, 2012 between Tanger Properties Limited Partnership and Wells Fargo Bank, National Association, as Administrative Agent, Wells Fargo Bank Securities, LLC, SunTrust Robinson Humphrey, Inc.m and PNC Capital MArkets LLC, as Joint Lead Arrangers, SunTrust Bank and PNC Bank, National Association, as Co-Syndication Agents, Regions Bank, as Documentation Agent and Wells Fargo Securities, LLC, as Sole Bookrunner. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated February 29, 2012.)
12.1	Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges and Preferred Dividends.
12.2	Ratio of Earnings to Fixed Charges and Ratio of Earnings to Fixed Charges and Preferred Distributions.
21.1	List of Subsidiaries of the Company.
21.2	List of Subsidiaries of the Operating Partnership.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of PricewaterhouseCoopers LLP.
31.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
31.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
31.3	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Tanger Properties Limited Partnership.
31.4	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Tanger Properties Limited Partnership.
32.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
32.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
32.3	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Tanger Properties Limited Partnership.
32.4	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Tanger Properties Limited Partnership.
101.1	The following Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership financial information for the year ended December 31, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Other Comprehensive Income (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to the Consolidated Financial Statements.

* Management contract or compensatory plan or arrangement.

SIGNATURES of Tanger Factory Outlet Centers, Inc.

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

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer

March 3, 2014

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

Signature	Title	Date
/s/ William G. Benton William G. Benton	Non-Executive Chairman of the Board of Directors	March 3, 2014
/s/ Steven B. Tanger Steven B. Tanger	Director, President and Chief Executive Officer (Principal Executive Officer)	March 3, 2014
/s/ Frank C. Marchisello Jr. Frank C. Marchisello Jr.	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 3, 2014
/s/ James F. Williams James F. Williams	Senior Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)	March 3, 2014
/s/ Jack Africk Jack Africk	Director	March 3, 2014
/s/ Bridget Ryan Berman Bridget Ryan Berman	Director	March 3, 2014
/s/ Donald G. Drapkin Donald G. Drapkin	Director	March 3, 2014
/s/ Thomas J. Reddin Thomas J. Reddin	Director	March 3, 2014
/s/ Thomas E. Robinson Thomas E. Robinson	Director	March 3, 2014
/s/ Allan L. Schuman Allan L. Schuman	Director	March 3, 2014

SIGNATURES of Tanger Properties Limited Partnership

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

TANGER PROPERTIES LIMITED PARTNERSHIP

By: Tanger GP Trust, its sole general partner

By: /s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer

March 3, 2014

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

Signature	Title	Date
/s/ Steven B. Tanger Steven B. Tanger	Chairman of the Board of Trustees, President and Chief Executive Officer (Principal Executive Officer)	March 3, 2014
/s/ Frank C. Marchisello Jr. Frank C. Marchisello Jr.	Vice President and Treasurer (Principal Financial Officer)	March 3, 2014
/s/ James F. Williams James F. Williams	Vice President and Assistant Treasurer (Principal Accounting Officer)	March 3, 2014
/s/ Jack Africk Jack Africk	Trustee	March 3, 2014
/s/ William G. Benton William G. Benton	Trustee	March 3, 2014
/s/ Bridget Ryan Berman Bridget Ryan Berman	Trustee	March 3, 2014
/s/ Donald G. Drapkin Donald G. Drapkin	Trustee	March 3, 2014
/s/ Thomas J. Reddin Thomas J. Reddin	Trustee	March 3, 2014
/s/ Thomas E. Robinson Thomas E. Robinson	Trustee	March 3, 2014
/s/ Allan L. Schuman Allan L. Schuman	Trustee	March 3, 2014

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of shareholders’ equity, and of cash flows present fairly, in all material respects, the financial position of Tanger Factory Outlet Centers, Inc. and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 3, 2014

Report of Independent Registered Public Accounting Firm

To the Partners of Tanger Properties Limited Partnership:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of equity, and of cash flows present fairly, in all material respects, the financial position of Tanger Properties Limited Partnership and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Partnership's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Partnership's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 3, 2014

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

	December 31, 2013	December 31, 2012
ASSETS		
Rental property		
Land	$ 230,415	$ 148,002
Buildings, improvements and fixtures	2,009,971	1,796,042
Construction in progress	9,433	3,308
	2,249,819	1,947,352
Accumulated depreciation	(654,631)	(582,859)
Total rental property, net	1,595,188	1,364,493
Cash and cash equivalents	15,241	10,335
Investments in unconsolidated joint ventures	140,214	126,632
Deferred lease costs and other intangibles, net	163,581	107,415
Deferred debt origination costs, net	10,818	9,083
Prepaids and other assets	81,414	60,842
Total assets	$ 2,006,456	$ 1,678,800
LIABILITIES AND EQUITY		
Liabilities		
Debt		
Senior, unsecured notes (net of discount of $5,752 and $1,967, respectively)	$ 794,248	$ 548,033
Unsecured term loans (net of discount of $396 and $547, respectively)	267,104	259,453
Mortgages payable (including premiums of $3,799 and $6,362, respectively)	250,497	107,745
Unsecured lines of credit	16,200	178,306
Total debt	1,328,049	1,093,537
Construction trade payables	9,776	7,084
Accounts payable and accrued expenses	49,686	41,149
Deferred financing obligation	28,388	—
Other liabilities	32,962	23,155
Total liabilities	1,448,861	1,164,925
Commitments and contingencies	—	—
Equity		
Tanger Factory Outlet Centers, Inc.		
Common shares, $.01 par value, 300,000,000 authorized, 94,505,685 and 94,061,384 shares issued and outstanding at December 31, 2013 and 2012, respectively	945	941
Paid in capital	788,984	766,056
Accumulated distributions in excess of net income	(265,242)	(285,588)
Accumulated other comprehensive (loss) income	(2,428)	1,200
Equity attributable to Tanger Factory Outlet Centers, Inc.	522,259	482,609
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	28,432	24,432
Noncontrolling interests in other consolidated partnerships	6,904	6,834
Total equity	557,595	513,875
Total liabilities and equity	$ 2,006,456	$ 1,678,800

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

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

	For the years ended December 31,		
	2013	2012	2011
REVENUES			
Base rentals	$ 253,402	$ 235,233	$ 207,637
Percentage rentals	11,251	11,172	9,084
Expense reimbursements	109,654	101,110	89,620
Other income	10,702	9,482	8,882
Total revenues	385,009	356,997	315,223
EXPENSES			
Property operating	121,046	111,160	100,246
General and administrative	39,119	37,452	30,132
Acquisition costs	1,203	117	2,736
Abandoned development costs	—	—	158
Depreciation and amortization	95,746	98,683	84,015
Total expenses	257,114	247,412	217,287
Operating income	127,895	109,585	97,936
Interest expense	(51,616)	(49,814)	(45,382)
Gain on previously held interest in acquired joint venture	26,002	—	—
Income before equity in earnings (losses) of unconsolidated joint ventures	102,281	59,771	52,554
Equity in earnings (losses) of unconsolidated joint ventures	11,040	(3,295)	(1,565)
Net income	113,321	56,476	50,989
Noncontrolling interests in Operating Partnership	(5,643)	(3,267)	(6,356)
Noncontrolling interests in other consolidated partnerships	(121)	19	8
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 107,557	$ 53,228	$ 44,641
Basic earnings per common share			
Net income	$ 1.14	$ 0.57	$ 0.53
Diluted earnings per common share			
Net income	$ 1.13	$ 0.57	$ 0.52

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	For the years ended December 31,		
	2013	2012	2011
Net income	$ 113,321	$ 56,476	$ 50,989
Other comprehensive loss			
Reclassification adjustments for amounts recognized in net income	(242)	(351)	(331)
Foreign currency translation adjustments	(4,968)	(5)	—
Change in fair value of cash flow hedges	1,382	—	—
Changes in fair value of our portion of our unconsolidated joint ventures' cash flow hedges	—	—	46
Other comprehensive loss	(3,828)	(356)	(285)
Comprehensive income	109,493	56,120	50,704
Comprehensive income attributable to noncontrolling interests	(5,564)	(3,227)	(6,312)
Comprehensive income attributable to Tanger Factory Outlet Centers, Inc.	$ 103,929	$ 52,893	$ 44,392

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share and per share data)

	Common shares	Paid in capital	Distributions in excess of earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity	Noncontrolling interest in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, December 31, 2010	$ 810	$ 604,359	$ (240,024)	$ 1,784	$ 366,929	$ 54,966	$ —	$ 421,895
Net income	—	—	44,641	—	44,641	6,356	(8)	50,989
Other comprehensive loss	—	—	—	(249)	(249)	(36)	—	(285)
Compensation under Incentive Award Plan	—	7,291	—	—	7,291	—	—	7,291
Issuance of 4,600,000 common shares, net of issuance costs of $670,000	46	117,329	—	—	117,375	—	—	117,375
Issuance of 36,500 common shares upon exercise of options	—	353	—	—	353	—	—	353
Grant of 317,400 restricted shares, net of forfeitures	3	(3)	—	—	—	—	—	—
Adjustment for noncontrolling interest in Operating Partnership	—	(9,242)	—	—	(9,242)	9,242	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	(6)	—	—	(6)	—	6,851	6,845
Exchange of 641,328 Operating Partnership units for 641,328 common shares	7	(7)	—	—	—	—	—	—
Issuance of 136,360 common shares upon exchange of exchangeable notes	1	(1)	—	—	—	—	—	—
Common dividends ($0.7938 per share)	—	—	(66,530)	—	(66,530)	—	—	(66,530)
Distributions to noncontrolling interests	—	—	—	—	—	(9,501)	—	(9,501)
Balance, December 31, 2011	$ 867	$ 720,073	$ (261,913)	$ 1,535	$ 460,562	$ 61,027	$ 6,843	$ 528,432
Net income	—	—	53,228	—	53,228	3,267	(19)	56,476
Other comprehensive loss	—	—	—	(335)	(335)	(21)	—	(356)
Compensation under Incentive Award Plan	—	10,676	—	—	10,676	—	—	10,676
Issuance of 37,700 common shares upon exercise of options	—	481	—	—	481	—	—	481
Grant of 566,000 restricted shares, net of forfeitures	6	(6)	—	—	—	—	—	—
Adjustment for noncontrolling interests in Operating Partnership	—	34,910	—	—	34,910	(34,910)	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	(10)	—	—	(10)	—	10	—
Exchange of 6,730,028 Operating Partnership units for 6,730,028 common shares	68	(68)	—	—	—	—	—	—
Common dividends ($0.8300 per share)	—	—	(76,903)	—	(76,903)	—	—	(76,903)
Distributions to noncontrolling interests	—	—	—	—	—	(4,931)	—	(4,931)
Balance, December 31, 2012	$ 941	$ 766,056	$ (285,588)	$ 1,200	$ 482,609	$ 24,432	$ 6,834	$ 513,875

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share and per share data)

	Common shares	Paid in capital	Distributions in excess of earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity	Noncontrolling interest in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, December 31, 2012	$ 941	$ 766,056	$ (285,588)	$ 1,200	$ 482,609	$ 24,432	$ 6,834	$ 513,875
Net income	—	—	107,557	—	107,557	5,643	121	113,321
Other comprehensive loss	—	—	—	(3,628)	(3,628)	(200)	—	(3,828)
Compensation under Incentive Award Plan	—	11,743	—	—	11,743	—	—	11,743
Issuance of 44,500 common shares upon exercise of options	—	635	—	—	635	—	—	635
Issuance of 450,576 Operating Partnership limited partner units	—	—	—	—	—	13,981	—	13,981
Grant of 332,373 restricted shares, net of forfeitures	3	(3)	—	—	—	—	—	—
Adjustment for noncontrolling interests in Operating Partnership	—	11,130	—	—	11,130	(11,130)	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	(576)	—	—	(576)	—	576	—
Acquisition of noncontrolling interests in other consolidated partnerships	—	—	—	—	—	—	(525)	(525)
Exchange of 67,428 Operating Partnership units for 67,428 common shares	1	(1)	—	—	—	—	—	—
Common dividends ($0.885 per share)	—	—	(87,211)	—	(87,211)	—	—	(87,211)
Distributions to noncontrolling interests	—	—	—	—	—	(4,294)	(102)	(4,396)
Balance, December 31, 2013	$ 945	$ 788,984	$ (265,242)	$ (2,428)	$ 522,259	$ 28,432	$ 6,904	$ 557,595

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

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

	For the years ended December 31, 2013	2012	2011
OPERATING ACTIVITIES:			
Net income	$ 113,321	$ 56,476	$ 50,989
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	95,746	98,683	84,015
Amortization of deferred financing costs	2,194	2,313	2,143
Gain on previously held interest in acquired joint venture	(26,002)	—	—
Equity in (earnings) losses of unconsolidated joint ventures	(11,040)	3,295	1,565
Distributions of cumulative earnings from unconsolidated joint ventures	5,853	1,005	499
Share-based compensation expense	11,376	10,676	7,291
Amortization of debt (premiums) and discounts, net	(886)	(1,007)	(315)
Net amortization (accretion) of market rent rate adjustments	1,141	(348)	(454)
Straight-line rent adjustments	(5,529)	(3,649)	(3,829)
Changes in other asset and liabilities:			
Other assets	(7,676)	(5,557)	(9,080)
Accounts payable and accrued expenses	8,988	3,863	3,170
Net cash provided by operating activities	187,486	165,750	135,994
INVESTING ACTIVITIES:			
Additions to rental property	(47,436)	(41,283)	(60,314)
Acquisition of interest in unconsolidated joint venture, net of cash acquired	(11,271)	—	—
Acquisition of rental property	—	—	(266,211)
Additions to investments in and notes receivable from unconsolidated joint ventures	(150,854)	(103,041)	(25,314)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	47,149	1,471	701
Additions to non-real estate assets	(7,768)	—	—
Additions to deferred lease costs	(4,046)	(5,056)	(10,661)
Net proceeds from sales of real estate	—	—	723
Net cash used in investing activities	(174,226)	(147,909)	(361,076)
FINANCING ACTIVITIES:			
Cash dividends paid	(87,211)	(76,903)	(66,530)
Distributions to noncontrolling interests in Operating Partnership	(4,294)	(4,931)	(9,501)
Proceeds from issuance of common shares	—	—	117,375
Proceeds from debt issuances	785,803	585,800	876,342
Repayments of debt	(697,377)	(517,271)	(687,390)
Acquisition of noncontrolling interests in other consolidated partnerships	(525)	—	—
Distributions to noncontrolling interests in other consolidated partnerships	(102)	—	—
Additions to deferred financing costs	(4,001)	(2,591)	(3,431)
Proceeds from exercise of options	635	481	353
Net cash provided by (used in) financing activities	(7,072)	(15,415)	227,218
Effect of foreign currency rate changes on cash and equivalents	(1,282)	15	—
Net increase in cash and cash equivalents	4,906	2,441	2,136
Cash and cash equivalents, beginning of year	10,335	7,894	5,758
Cash and cash equivalents, end of year	$ 15,241	$ 10,335	$ 7,894

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2013	December 31, 2012
ASSETS		
Rental property		
Land	$ 230,415	$ 148,002
Buildings, improvements and fixtures	2,009,971	1,796,042
Construction in progress	9,433	3,308
	2,249,819	1,947,352
Accumulated depreciation	(654,631)	(582,859)
Total rental property, net	1,595,188	1,364,493
Cash and cash equivalents	14,984	10,295
Investments in unconsolidated joint ventures	140,214	126,632
Deferred lease costs and other intangibles, net	163,581	107,415
Deferred debt origination costs, net	10,818	9,083
Prepaids and other assets	81,165	60,408
Total assets	$ 2,005,950	$ 1,678,326
LIABILITIES AND EQUITY		
Liabilities		
Debt		
Senior, unsecured notes (net of discount of $5,752 and $1,967, respectively)	$ 794,248	$ 548,033
Unsecured term loans (net of discount of $396 and $547, respectively)	267,104	259,453
Mortgages payable (including premiums of $3,799 and $6,362, respectively)	250,497	107,745
Unsecured lines of credit	16,200	178,306
Total debt	1,328,049	1,093,537
Construction trade payables	9,776	7,084
Accounts payable and accrued expenses	49,180	40,675
Deferred financing obligation	28,388	—
Other liabilities	32,962	23,155
Total liabilities	1,448,355	1,164,451
Commitments and contingencies	—	—
Equity		
Partners' Equity		
General partner, 1,000,000 units outstanding at December 31, 2013 and 2012	4,988	4,720
Limited partners, 5,145,012 and 4,761,864 Class A units and 93,505,685 and 93,061,384 Class B units outstanding at December 31, 2013 and 2012, respectively	548,424	501,214
Accumulated other comprehensive (loss) income	(2,721)	1,107
Total partners' equity	550,691	507,041
Noncontrolling interests in consolidated partnerships	6,904	6,834
Total equity	557,595	513,875
Total liabilities and equity	$ 2,005,950	$ 1,678,326

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per unit data)

	For the years ended December 31,		
	2013	2012	2011
REVENUES			
Base rentals	$ 253,402	$ 235,233	$ 207,637
Percentage rentals	11,251	11,172	9,084
Expense reimbursements	109,654	101,110	89,620
Other income	10,702	9,482	8,882
Total revenues	385,009	356,997	315,223
EXPENSES			
Property operating	121,046	111,160	100,246
General and administrative	39,119	37,452	30,132
Acquisition costs	1,203	117	2,736
Abandoned development costs	—	—	158
Depreciation and amortization	95,746	98,683	84,015
Total expenses	257,114	247,412	217,287
Operating income	127,895	109,585	97,936
Interest expense	(51,616)	(49,814)	(45,382)
Gain on previously held interest in acquired joint venture	26,002	—	—
Income before equity in earnings (losses) of unconsolidated joint ventures	102,281	59,771	52,554
Equity in earnings (losses) of unconsolidated joint ventures	11,040	(3,295)	(1,565)
Net income	113,321	56,476	50,989
Noncontrolling interests in consolidated partnerships	(121)	19	8
Net income available to partners	113,200	56,495	50,997
Net income available to limited partners	112,047	55,917	50,473
Net income available to general partner	$ 1,153	$ 578	$ 524
Basic earnings per common unit			
Net income	$ 1.14	$ 0.57	$ 0.53
Diluted earnings per common unit			
Net income	$ 1.13	$ 0.57	$ 0.52

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

TANGER PROPERITES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	For the years ended December 31,		
	2013	**2012**	**2011**
Net income	$ 113,321	$ 56,476	$ 50,989
Other comprehensive loss			
Reclassification adjustments for amounts recognized in net income	(242)	(351)	(331)
Foreign currency translation adjustments	(4,968)	(5)	—
Change in fair value of cash flow hedges	1,382	—	—
Changes in fair value of our portion of our unconsolidated joint ventures' cash flow hedges	—	—	46
Other comprehensive loss	(3,828)	(356)	(285)
Comprehensive income	109,493	56,120	50,704
Comprehensive income attributable to noncontrolling interests in consolidated partnerships	(121)	19	8
Comprehensive income attributable to the Operating Partnership	$ 109,372	$ 56,139	$ 50,712

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except unit and per unit data)

	General partner	Limited partners	Accumulated other comprehensive income (loss)	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
Balance, December 31, 2010	$ 5,221	$ 414,926	$ 1,748	$ 421,895	$ —	$ 421,895
Net income	524	50,473	—	50,997	(8)	50,989
Other comprehensive loss	—	—	(285)	(285)	—	(285)
Compensation under Incentive Award Plan	—	7,291	—	7,291	—	7,291
Issuance of 52,000 general partner common units and 4,548,000 limited partner common units, net of issuance costs of $670,000	—	117,375	—	117,375	—	117,375
Issuance of 36,500 common units upon exercise of options	—	353	—	353	—	353
Grant of 317,400 restricted units, net of forfeitures	—	—	—	—	—	—
Adjustments for noncontrolling interests in consolidated partnerships	—	(6)	—	(6)	6,851	6,845
Common distributions ($0.7938 per common unit)	(773)	(75,258)	—	(76,031)	—	(76,031)
Balance, December 31, 2011	$ 4,972	$ 515,154	$ 1,463	$ 521,589	$ 6,843	$ 528,432
Net income	578	55,917	—	56,495	(19)	56,476
Other comprehensive loss	—	—	(356)	(356)	—	(356)
Compensation under Incentive Award Plan	—	10,676	—	10,676	—	10,676
Issuance of 37,700 common units upon exercise of options	—	481	—	481	—	481
Grant of 566,000 restricted units, net of forfeitures	—	—	—	—	—	—
Adjustments for noncontrolling interests in consolidated partnerships	—	(10)	—	(10)	10	—
Common distributions ($0.8300 per common unit)	(830)	(81,004)	—	(81,834)	—	(81,834)
Balance, December 31, 2012	$ 4,720	$ 501,214	$ 1,107	$ 507,041	$ 6,834	$ 513,875
Net income	1,153	112,047	—	113,200	121	113,321
Other comprehensive loss	—	—	(3,828)	(3,828)	—	(3,828)
Compensation under Incentive Award Plan	—	11,743	—	11,743	—	11,743
Issuance of 44,500 common units upon exercise of options	—	635	—	635	—	635
Issuance of 450,576 limited partner units	—	13,981	—	13,981	—	13,981
Grant of 332,373 restricted units, net of forfeitures	—	—	—	—	—	—
Adjustments for noncontrolling interests in consolidated partnerships	—	(576)	—	(576)	576	—
Acquisition of noncontrolling interests in consolidated partnerships	—	—	—	—	(525)	(525)
Common distributions ($0.885 per common unit)	(885)	(90,620)	—	(91,505)	—	(91,505)
Distributions to noncontrolling interests in consolidated partnerships	—	—	—	—	(102)	(102)
Balance, December 31, 2013	$ 4,988	$ 548,424	$ (2,721)	$ 550,691	$ 6,904	$ 557,595

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the years ended December 31, 2013	2012	2011
OPERATING ACTIVITIES:			
Net income	$ 113,321	$ 56,476	$ 50,989
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	95,746	98,683	84,015
Amortization of deferred financing costs	2,194	2,313	2,143
Gain on previously held interest in acquired joint venture	(26,002)	—	—
Equity in (earnings) losses of unconsolidated joint ventures	(11,040)	3,295	1,565
Distributions of cumulative earnings from unconsolidated joint ventures	5,853	1,005	499
Equity-based compensation expense	11,376	10,676	7,291
Amortization of debt (premiums) and discounts, net	(886)	(1,007)	(315)
Net amortization (accretion) of market rent rate adjustments	1,141	(348)	(454)
Straight-line rent adjustments	(5,529)	(3,649)	(3,829)
Increases (decreases) due to changes in:			
Other assets	(7,861)	(5,447)	(9,127)
Accounts payable and accrued expenses	8,956	3,741	3,276
Net cash provided by operating activities	187,269	165,738	136,053
INVESTING ACTIVITIES:			
Additions to rental property	(47,436)	(41,283)	(60,314)
Acquisition of interest in unconsolidated joint venture, net of cash acquired	(11,271)	—	—
Acquisition of rental property	—	—	(266,211)
Additions to investments in and notes receivable from unconsolidated joint ventures	(150,854)	(103,041)	(25,314)
Additions to non-real estate assets	(7,768)	—	—
Distributions in excess of cumulative earnings from unconsolidated joint ventures	47,149	1,471	701
Additions to deferred lease costs	(4,046)	(5,056)	(10,661)
Net proceeds from sales of real estate	—	—	723
Net cash used in investing activities	(174,226)	(147,909)	(361,076)
FINANCING ACTIVITIES:			
Cash distributions paid	(91,505)	(81,834)	(76,031)
Contributions from partners	—	—	117,375
Proceeds from debt issuance	810,803	585,800	876,342
Repayments of debt	(722,377)	(517,271)	(687,390)
Acquisition of noncontrolling interests in other consolidated partnerships	(525)	—	—
Distributions to noncontrolling interests in other consolidated partnerships	(102)	—	—
Additions to deferred financing costs	(4,001)	(2,591)	(3,431)
Proceeds from exercise of options	635	481	353
Net cash provided by (used in) financing activities	(7,072)	(15,415)	227,218
Effect of foreign currency rate changes on cash and equivalents	(1,282)	15	—
Net increase in cash and cash equivalents	4,689	2,429	2,195
Cash and cash equivalents, beginning of year	10,295	7,866	5,671
Cash and cash equivalents, end of year	$ 14,984	$ 10,295	$ 7,866

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
TANGER FACTORY OUTLET CENTERS, INC. AND
TANGER PROPERTIES LIMITED PARTNERSHIP

1. Organization of the Company

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. We are a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") which, through our controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. As of December 31, 2013, we owned and operated 37 outlet centers, with a total gross leasable area of approximately 11.5 million square feet. All references to gross leasable area, square feet, occupancy, stores and store brands contained in the notes to the consolidated financial statements are unaudited. These outlet centers were 99% occupied and contained over 2,400 stores, representing approximately 400 store brands. We also had partial ownership interests in 7 outlet centers totaling approximately 1.7 million square feet, including 3 outlet centers in Canada.

Our outlet centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership and subsidiaries. Accordingly, the descriptions of our business, employees and properties are also descriptions of the business, employees and properties of the Operating Partnership. Unless the context indicates otherwise, the term “Company” refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term “Operating Partnership” refers to Tanger Properties Limited Partnership and subsidiaries. The terms “we”, “our” and “us” refer to the Company or the Company and the Operating Partnership together, as the text requires.

The Company owns the majority of the units of partnership interest issued by the Operating Partnership through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. As of December 31, 2013, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 94,505,685 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 5,145,012 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

2. Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements of the Company include its accounts and its consolidated subsidiaries, as well as the Operating Partnership and its consolidated subsidiaries. The consolidated financial statements of the Operating Partnership include its accounts and its consolidated subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

We evaluate our real estate joint ventures in accordance with the Consolidation guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC"). As a result of our qualitative assessment, we concluded that our Westgate joint venture is a Variable Interest Entity ("VIE") and none of our other joint ventures are a VIE. Westgate is considered a VIE because the voting rights are disproportionate to the economic interests. Investments in real estate joint ventures in which we have a non-controlling ownership interest are accounted for using the equity method of accounting.

After making the determination that Westgate was a VIE, we performed an assessment to determine if we would be considered the primary beneficiary and thus be required to consolidate its balance sheet and results of operations. This assessment was based upon whether we had the following:

a. The power to direct the activities of the VIE that most significantly impact the entity's economic performance

b. The obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE

The operating, development, leasing, and management agreement of Westgate provides that the activities that most significantly impact the economic performance of the venture require unanimous consent. Accordingly, we determined that we do not have the power to direct the significant activities that affect the economic performance of the ventures and therefore, have applied the equity method of accounting for Westgate. Our equity method investment in Westgate as of December 31, 2013 was approximately $16.1 million. We are unable to estimate our maximum exposure to loss at this time because our guarantees are limited and based on the future operating performance of Westgate.

Noncontrolling interests - In the Company's consolidated financial statements, the “Noncontrolling interests in Operating Partnership” reflects the Non-Company LPs percentage ownership of the Operating Partnership's units. The noncontrolling interests in other consolidated partnerships consist of outside equity interests in partnerships not wholly-owned by the Company or the Operating Partnership that are consolidated with the financial results of the Company and Operating Partnership because the Operating Partnership exercises control over the entities that own the properties. Noncontrolling interests are initially recorded in the consolidated balance sheets at fair value based upon purchase price allocations. Income is allocated to the noncontrolling interests based on their respective ownership interest.

Use of Estimates **-** The preparation of financial statements 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in the calculations of impairment losses, costs capitalized to originate operating leases, costs incurred for the construction and development of properties, and the values of deferred lease costs and other intangibles related to the acquisition of properties. Actual results could differ from those estimates.

Operating Segments - We focus exclusively on developing, acquiring, owning, operating, and managing outlet shopping centers. We aggregate the financial information of all outlet centers into one reportable operating segment because the centers all have similar economic characteristics and provide similar products and services to similar types and classes of customers.

Rental Property - Rental properties are recorded at cost less accumulated depreciation. Costs incurred for the construction and development of properties, including certain overhead costs, are capitalized. The amount of overhead costs capitalized is based on our estimate of the amount of costs directly related to the construction or development of these assets. Direct costs to acquire existing centers are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. We generally use estimated lives of 33 years for buildings and improvements, 15 years for land improvements and 7 years for equipment. Tenant finishing allowances are amortized over the life of the associated lease. Expenditures for ordinary maintenance and repairs are charged to operations as incurred while significant renovations and improvements which improve and/or extend the useful life of the asset are capitalized and depreciated over their estimated useful life. Interest costs are capitalized during periods of active construction for qualified expenditures based upon interest rates in place during the construction period until construction is substantially complete. Capitalized interest costs are amortized over lives which are consistent with the constructed assets.

In accordance with accounting guidance for business combinations, we allocate the purchase price of acquisitions based on the fair value of land, building, tenant improvements, debt and deferred lease costs and other intangibles, such as the value of leases with above or below market rents, origination costs associated with the in-place leases, the value of in-place leases and tenant relationships, if any. We depreciate the amount allocated to building, deferred lease costs and other intangible assets over their estimated useful lives, which range up to 33 years. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. The values of below market leases that are considered to have renewal periods with below market rents are amortized over the remaining term of the associated lease plus the renewal periods when the renewal is deemed probable to occur. The value associated with in-place leases is amortized over the remaining lease term and tenant relationships is amortized over the expected term, which includes an estimated probability of the lease renewal. If a tenant terminates its lease prior to the contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related intangibles is written off. The tenant improvements and origination costs are amortized as an expense over the remaining life of the lease (or charged against earnings if the lease is terminated prior to its contractual expiration date). We assess fair value based on estimated cash flow projections that utilize appropriate discount and capitalization rates and available market information. These cash flow projections may be derived from various observable and unobservable inputs and assumptions. Also, we may utilize third-party valuation specialists. As a part of acquisition accounting, the amount by which the fair value of our previously held equity method investment exceeds the carrying book value is recorded as a gain on previously held interest in acquired joint venture.

Buildings, improvements and fixtures consist primarily of permanent buildings and improvements made to land such as infrastructure and costs incurred in providing rental space to tenants. Interest costs capitalized during 2013, 2012 and 2011 amounted to approximately $1.6 million, $1.2 million and $393,000, respectively, and internal development costs capitalized amounted to $2.2 million, $1.8 million and $1.4 million, respectively. Depreciation expense related to rental property included in net income for each of the years ended December 31, 2013, 2012 and 2011 was $74.7 million, $73.7 million and $66.2 million, respectively.

The pre-construction stage of project development involves certain costs to secure land control and zoning and complete other initial tasks essential to the development of the project. These costs are transferred from other assets to construction in progress when the pre-construction tasks are completed. Costs of unsuccessful pre-construction efforts are charged to operations when the project is no longer probable.

Cash and Cash Equivalents - All highly liquid investments with an original maturity of three months or less at the date of purchase are considered to be cash equivalents. Cash balances at a limited number of banks may periodically exceed insurable amounts. We believe that we mitigate our risk by investing in or through major financial institutions. Recoverability of investments is dependent upon the performance of the issuer. At December 31, 2013 and 2012, respectively, we had cash equivalent investments in highly liquid money market accounts at major financial institutions of $670,000 and $670,000, respectively.

Deferred Charges - Deferred charges includes deferred lease costs and other intangible assets consisting of fees and costs incurred to originate operating leases and are amortized over the expected lease term. Deferred lease costs capitalized, including internal lease costs and amounts paid to third-party brokers, during 2013, 2012 and 2011 were approximately $4.0 million, $5.1 million and $10.7 million, respectively. Deferred lease costs and other intangible assets also include the value of leases and origination costs deemed to have been acquired in real estate acquisitions. Deferred financing costs include fees and costs incurred to obtain long-term financing and are amortized over the terms of the respective loans. Unamortized deferred financing costs are charged to expense when debt is retired before the maturity date.

Captive Insurance - Our wholly-owned subsidiary, Northline Indemnity, LLC, is responsible for losses up to certain deductible levels per occurrence for property damage (including wind damage from hurricanes) prior to third-party insurance coverage. Insurance losses are reflected in property operating expenses and include estimates of costs incurred, both reported and unreported.

Impairment of Long-Lived Assets - Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value. Fair value is determined using a market approach whereby we consider the prevailing market income capitalization rates and sales data for transactions involving similar assets. We recognized no impairment losses during the years ended December 31, 2013, 2012, and 2011 respectively. We believe there are no unrecorded impairment losses as of December 31, 2013.

Real Estate Assets Held For Sale - Real estate assets designated as held for sale are stated at the lower of their carrying value or their fair value less costs to sell. We classify real estate as held for sale when our Board of Directors approves the sale of the assets and it meets the requirements of current accounting guidance. Subsequent to this classification, no further depreciation is recorded on the assets. The operating results of real estate assets designated as held for sale and for assets sold, in which we will not have any significant continuing involvement, are included in discontinued operations for all periods presented in our results of operations.

Impairment of Investments - On a periodic basis, we assess whether there are any indicators that the value of our investments in unconsolidated joint ventures may be impaired. An investment is impaired only if management's estimate of the value of the investment is less than the carrying value of the investments, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the value of the investment. Our estimates of value for each joint venture investment are based on a number of assumptions that are subject to economic and market uncertainties including, among others, demand for space, competition for tenants, changes in market rental rates and operating costs of the property. As these factors are difficult to predict and are subject to future events that may alter our assumptions, the values estimated by us in our impairment analysis may not be realized. As of December 31, 2013, we do not believe that any of our equity investments were impaired.

Derivatives - We selectively enter into interest rate protection agreements to mitigate the impact of changes in interest rates on our variable rate borrowings. The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss. None of these agreements are used for speculative or trading purposes.

We recognize all derivatives as either assets or liabilities in the consolidated balance sheets and measure those instruments at their fair value. We also measure the effectiveness, as defined by the relevant accounting guidance, of all derivatives. We formally document our derivative transactions, including identifying the hedge instruments and hedged items, as well as our risk management objectives and strategies for entering into the hedge transaction. At inception and on a quarterly basis thereafter, we assess the effectiveness of derivatives used to hedge transactions. If a cash flow hedge is deemed effective, we record the change in fair value in other comprehensive income. If after assessment it is determined that a portion of the derivative is ineffective, then that portion of the derivative's change in fair value will be immediately recognized in earnings.

Income Taxes - We operate in a manner intended to enable the Company to qualify as a REIT under the Internal Revenue Code. A REIT which distributes at least 90% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. We intend to continue to qualify as a REIT and to distribute substantially all of the Company's taxable income to its shareholders. Accordingly, no provision has been made in the Company's consolidated financial statements for Federal income taxes. As a partnership, the allocated share of income or loss for the year with respect to the Operating Partnership is included in the income tax returns for the partners; accordingly, no provision has been made for Federal income taxes in the Operating Partnership's consolidated financial statements. In addition, we continue to evaluate uncertain tax positions. The tax years 2010 - 2013 remain open to examination by the major tax jurisdictions to which we are subject.

For income tax purposes, distributions paid to the Company's common shareholders consist of ordinary income, capital gains, return of capital or a combination thereof. Dividends per share for the years ended December 31, 2013, 2012 and 2011 were taxable as follows:

Common dividends per share:	2013	2012	2011
Ordinary income	$ 0.7894	$ 0.8293	$ 0.7938
Capital gain	0.0115	—	—
Return of capital	0.0841	0.0007	—
	$ 0.8850	$ 0.8300	$ 0.7938

The following reconciles net income available to the Company's shareholders to taxable income available to common shareholders for the years ended December 31, 2013, 2012 and 2011:

	2013	2012	2011
Net income available to the Company's shareholders	$ 107,557	$ 53,228	$ 44,641
Book/tax difference on:			
Depreciation and amortization	(10,697)	16,034	16,232
Loss on sale or disposal of real estate	(1,805)	(1,543)	(3,113)
Equity in earnings from unconsolidated joint ventures	5,601	5,037	2,482
Share-based payment compensation	(3,818)	(6,298)	(491)
Gain on previously held interest in acquired joint venture	(24,710)	—	—
Other differences	(5,823)	(850)	997
Taxable income available to common shareholders	$ 66,305	$ 65,608	$ 60,748

Revenue Recognition - Base rentals are recognized on a straight-line basis over the term of the lease. Straight-line rent adjustments recorded in other assets were approximately $30.9 million and $25.1 million as of December 31, 2013 and 2012, respectively. As a provision of a tenant lease, if we make a cash payment to the tenant for purposes other than funding the construction of landlord assets, we defer the amount of such payments as a lease incentive. We amortize lease incentives as a reduction of base rental revenue over the term of the lease. Substantially all leases contain provisions which provide additional rents based on tenants' sales volume (“percentage rentals”) and reimbursement of the tenants' share of advertising and promotion, common area maintenance, insurance and real estate tax expenses. Percentage rentals are recognized when specified targets that trigger the contingent rent are met. Expense reimbursements are recognized in the period the applicable expenses are incurred. Payments received from the early termination of leases are recognized as revenue from the time the payment is receivable until the tenant vacates the space. The values of the above and below market leases are amortized and recorded as either an increase (in the case of below market leases) or a decrease (in the case of above market leases) to rental income over the remaining term of the associated lease. If a tenant terminates its lease prior to the original contractual termination of the lease and no rental payments are being made on the lease, any unamortized balance of the related above or below market lease value will be written off.

We receive development, leasing, loan guarantee, management and marketing fees from third parties and unconsolidated affiliates for services provided to properties held in joint ventures. Development fees are recognized as revenue when earned over the development period. Leasing fees are charged for newly executed leases and lease renewals, and are recognized as revenue when earned. Profits from development and leasing fees received from unconsolidated affiliates are recognized as revenue to the extent of the third-party partners' ownership interest. Profits earned to the extent of our ownership interest are recorded as a reduction to our investment in the unconsolidated affiliate. Loan guarantee fees are recognized over the term of the guarantee. Management fees are charged as a percentage of revenues (as defined in the management agreement) and are recognized as revenue when earned. Marketing fees are charged as a percentage of marketing expenses incurred by the property. Fees recognized from these activities are shown as other income in our consolidated statement of operations. Fees received from consolidated joint ventures are eliminated in consolidation.

Concentration of Credit Risk - We perform ongoing credit evaluations of our tenants. Although the tenants operate principally in the retail industry, the properties are geographically diverse. No single tenant accounted for 10% or more of combined base and percentage rental income or gross leasable area during 2013, 2012 or 2011.

Supplemental Cash Flow Information - We purchase capital equipment and incur costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of December 31, 2013, 2012 and 2011 amounted to $9.8 million, $7.1 million and $13.7 million, respectively.

Non-cash financing activities related to the acquisition of a controlling interest in Deer Park, as discussed in Note 3, included the assumption of debt totaling $237.9 million, and the issuance of $14.0 million in Class A common limited partnership units of the Operating Partnership as a portion of the consideration given. In addition, rental property and lease related intangible assets increased by $27.9 million related to the fair value of the one-third interest owned by Deer Park's other remaining partner and $26.0 million related to the fair value of our previously held interest in excess of carrying amount.

Non-cash financing activities that occurred during the 2011 period included the assumption of mortgage debt in the amount of $112.7 million, including total net premiums of $7.1 million related to the acquisitions described in Note 3.

Interest paid, net of interest capitalized, in 2013, 2012 and 2011 was $48.0 million, $46.8 million and $45.4 million, respectively.

Accounting for Equity-Based Compensation - We may issue non-qualified options and other equity-based awards under the Amended and Restated Incentive Award Plan (the "Incentive Award Plan"). We account for our equity-based compensation plan under the fair value provisions of the relevant accounting guidance.

Foreign Currency Translation - We have entered into a co-ownership agreement with RioCan Real Estate Investment Trust to develop and acquire outlet centers in Canada for which the functional currency is the local currency. The assets and liabilities related to our investments in Canada are translated from their functional currency into U.S. Dollars at the rate of exchange in effect on the balance sheet date. Income statement accounts are translated using the average exchange rate for the period. Our share of unrealized gains and losses resulting from the translation of these financial statements are reflected in shareholders' equity as a component of Accumulated Other Comprehensive Income (loss) in the Company's Consolidated Balance Sheets.

New Accounting Pronouncements - There are no recently issued accounting pronouncements that are expected to have a material effect on our financial condition and results of operations in future periods.

Operating Partnership Unit Split - In August 2013, the Operating Partnership's operating agreement was amended to, among other things, effect a four-for-one split of the outstanding partnership units After the effect of the split, each Class A common limited partnership unit held by Non-Company LPs may be exchanged for one common share of the Company. Prior to the split, each unit held by the Non-Company LPs was exchangeable for four common shares of the Company. All references to the number of units outstanding and per unit amounts reflect the effect of the split for all periods presented.

Reclassifications - Certain amounts related to reimbursements of payroll related expenses from unconsolidated joint ventures in the consolidated statement of operations for the year ended December 31, 2012 have been reclassified to the caption “expense reimbursements” from the caption “other income” to conform to the presentation of the consolidated statement of operations presented for the year ended December 31, 2013.

In addition, we have corrected the classification of certain amounts related to above and below market lease contracts in the consolidated balance sheet of the Company and Operating Partnership as of December 31, 2012. The amounts were previously reported net in the caption deferred lease costs and other intangibles, net. Below market lease values, net of accumulated amortization, in the amount of $6.4 million, has been reclassified into the other liabilities line item in the consolidated balance sheet as of December 31, 2012. These revisions were not considered material to the previously issued financial statements.

3. Acquisition of Rental Property

2013 Acquisitions

In August 2013, Deer Park completed a refinancing of its existing debt and then immediately restructured the ownership whereby we acquired an additional ownership interest in the property from one of the partners which gave us a controlling interest. With the acquisition of this additional interest, we have consolidated the property for financial reporting purposes since the acquisition date, and remeasured our previously held interest that was accounted for as an equity method investment.

Prior to the acquisition, Deer Park successfully negotiated new financing of the debt obligations for the previous mortgage and mezzanine loans totaling approximately $238.5 million, with a $150.0 million mortgage loan. The new five year mortgage loan bears interest at a 150 basis point spread over LIBOR. The previous mortgage and mezzanine loans were in default, and as part of the refinancing, all default interest associated with the loans was waived. Utilizing funding from our existing unsecured lines of credit, we loaned approximately $89.5 million at a rate of LIBOR plus 3.25% and due on August 30, 2020 to the Deer Park joint venture representing the remaining amount necessary to repay the previous mortgage and mezzanine loans. As a result of the refinancing, Deer Park recorded a gain on early extinguishment of debt of approximately $13.8 million. Our share of this gain along with our share of the income from the settlement of a lawsuit by Deer Park with a third party totalled approximately $7.8 million, which has been included in equity in earnings (losses) of unconsolidated joint ventures in the consolidated statement of operations for the year ended December 31, 2013.

Subsequent to the debt extinguishment, we acquired an additional one-third interest in the Deer Park property from one of the owners, bringing our total ownership to a two-thirds interest, for total consideration of approximately $27.9 million, including $13.9 million in cash and 450,576 in Class A common limited partnership units of Tanger Properties Limited Partnership, which are exchangeable for an equivalent number of the Company's common shares. This transaction was accounted for as a business combination resulting in the assets acquired and liabilities assumed being recorded at fair value as a result of the step acquisition. Prior to the acquisition, the joint venture was considered a variable interest entity and was accounted for under the equity method of accounting since we did not have the ability to direct the significant activities that affect the economic performance of the venture as a one-third owner. Upon acquiring an additional one-third interest, we determined, based on the acquisition agreement and other transaction documents which amended our rights with respect to the property and our obligations with respect to the additional one-third interest, that we control the property assets and direct the property's significant activities and therefore, consolidate the property's assets and liabilities.

The following table illustrates the fair value of the total consideration transferred and the amounts of the identifiable assets acquired and liabilities assumed at the acquisition date (in thousands):

Cash transferred	$	13,939
Common limited partnership units issued		13,981
Fair value of total consideration transferred to acquire one-third interest		27,920
Fair value of our previously held one-third interest		27,920
Fair value of noncontrolling interest		27,920
Fair value of net assets acquired	$	83,760

The aggregate purchase price of the property has been allocated as follows:

	Fair Value (in thousands)	Weighted-Average Amortization Period (in years)
Land	$ 82,413	
Buildings, improvements and fixtures	172,694	
Deferred lease costs and other intangibles		
Above market lease value	18,807	11.9
Below market lease value	(12,658)	18.5
Lease in place value	28,846	7.6
Tenant relationships	27,594	19.0
Lease and legal costs	1,724	8.9
Total deferred lease costs and other intangibles, net	64,313	
Other identifiable assets acquired and liabilities assumed, net	2,265	
Debt	(237,925)	
Total fair value of net assets acquired	$ 83,760	

There was no contingent consideration associated with this acquisition. We incurred approximately $1.0 million in third-party acquisition costs which were expensed as incurred. As a part of the acquisition accounting, we recorded a gain of $26.0 million which represented the difference between the carrying book value and the fair value of our previously held equity method investment in Deer Park.

Although we do not anticipate any changes in the fair value measurements of the acquisitions, the measurements may be subject to change within 12 months of the business combination date if new facts or circumstances are brought to our attention that were previously unknown but existed as of the business combination date.

Following the acquisition, we and the noncontrolling interest restructured certain aspects of our ownership of the property, whereby we receive substantially all of the economics generated by the property and would have substantial control over the property's financial activities. We and the noncontrolling interest entered into a triple net lease agreement with a different wholly-owned subsidiary of ours which operates the property as lessee. Under the new structure, we will serve as property manager and control the management, leasing, marketing and other operations of the property. We and the noncontrolling interest will receive, in proportion to our respective ownership interests, fixed annual lease payments of approximately $2.5 million, plus an amount necessary to pay the interest expense on debt related to the property. In addition, we and the noncontrolling interest have entered into an agreement whereby they may require us to acquire their ownership interest in the property on the second anniversary of the acquisition date for a price of $28.4 million, and we have the option to acquire their ownership interest on the fourth anniversary of the acquisition date at the same price. Due to the noncontrolling interest's ability to require us to purchase their interest, we have recorded an obligation to redeem their interest at the redemption price as a deferred financing obligation in the other liabilities section of the consolidated balance sheet.

The results of operations from the property are included in the consolidated statements of operations beginning on the acquisition date. The aggregate revenues and net loss from the property from the acquisition date through December 31, 2013, were $11.1 million and $3.5 million, respectively. The following unaudited condensed pro forma financial information for the years ended December 31, 2013 and 2012 is presented as if the acquisition had been consummated as of January 1, 2012, the beginning of the previous reporting period (in thousands, except per share data):

	(unaudited) (Pro forma) Year ended December 31,	
	2013	2012
Total Revenue	$ 408,333	$ 381,388
Income from continuing operations	85,836	78,347
Net income attributable to Tanger Factory Outlet Centers, Inc.	80,621	73,219
Basic earnings per common share	0.86	0.80
Diluted earnings per common share	0.86	0.79

Supplemental pro forma earnings for 2013 were adjusted to exclude $1.0 million of third-party acquisition costs incurred in 2013 and $26.0 million of nonrecurring gain related to the fair value adjustment. Supplemental pro forma earnings for 2012 were adjusted to include those items.

2011 Acquisitions

Jeffersonville, Ohio

In June 2011, we purchased Prime Outlets at Jeffersonville, a 410,000 square foot outlet center, for $134.0 million in cash. The cash purchase price was funded with proceeds from a $150.0 million senior, unsecured bridge loan.

Atlantic City, New Jersey and Ocean City, Maryland

During 2011, we closed on our admission as a member into four existing entities that resulted in our acquiring substantially all of the economic interests of Atlantic City Outlets The Walk (Atlantic City, New Jersey) and Ocean City Factory Outlets (Ocean City, Maryland). The combined purchase price was approximately $200.3 million, consisting of $116.8 million in cash and the assumption of $83.5 million in indebtedness.

Atlantic City Outlets The Walk is comprised of approximately 490,000 square feet and Ocean City Factory Outlets is comprised of approximately 199,000 square feet. The cash portion of the purchase price for Atlantic City Outlets The Walk and Ocean City Outlets was funded by amounts available under our unsecured lines of credit.

Hershey, Pennsylvania

In September 2011, we purchased substantially all of the economic interests in The Outlets at Hershey, a 247,000 square foot outlet center, for total consideration of $56.0 million, consisting of $24.6 million in cash and the assumption of $31.4 million of indebtedness. The cash consideration included a $6.2 million loan, which is included in other assets in the consolidated balance sheets, to the noncontrolling interest holder collateralized by their ownership interest in the property. The cash consideration for The Outlets at Hershey was funded by amounts available under our unsecured lines of credit.

The aggregate fair value purchase price of the properties acquired during the year ended December 31, 2011 has been allocated as follows:

	Value (in thousands)	Weighted-Average Amortization Period (in years)
Land	$ 6,425	
Buildings, improvements and fixtures	298,147	
Deferred lease costs and other intangibles		
Above/below market lease value, net	5,166	7.1
Below market ground lease value	31,993	87.6
Lease in place value	24,232	4.0
Tenant relationships	28,628	10.2
Lease and legal costs	3,444	3.2
Total deferred lease costs and other intangibles, net	93,463	
Mortgage fair value adjustments	(7,081)	
Net assets acquired	390,954	
Less: contingent consideration	(3,023)	
Less: noncontrolling interests	(6,845)	
Consideration transferred	$ 381,086	

We incurred approximately $2.7 million in third-party acquisition costs which were expensed as incurred. The aggregate revenues and net loss from the properties from the acquisition dates through December 31, 2011, were $18.5 million, and $1.5 million, respectively.

The results of operations of the acquired properties are included in the consolidated statements of operations beginning on their respective acquisition dates. The following unaudited condensed pro forma financial information for the year ended December 31, 2011 is presented as if the acquisitions had been consummated as of January 1, 2011, the beginning of the reporting period (in thousands):

	(Unaudited) (Pro forma) Year ended December 31, 2011
Total Revenue	$ 336,838
Income from continuing operations	47,687
Net income attributable to Tanger Factory Outlet Centers, Inc.	41,045
Basic earnings per common share	0.49
Diluted earnings per common share	0.49

4. Development of Rental Properties

Foxwoods, Connecticut

In September 2013, we broke ground at Foxwoods Resort Casino in Mashantucket, Connecticut on Tanger Outlets at Foxwoods. We own a two-thirds controlling interest in the joint venture, which will be consolidated for financial reporting purposes. To date, we have contributed approximately $7.7 million to the project for construction and development activities. The approximately 314,000 square foot project will be suspended above ground to join the casino floors of the two major hotels located within the resort, which attract millions of visitors each year. We currently expect the property to open in the second quarter of 2015.

Redevelopment: Hilton Head I, South Carolina

During the first quarter of 2011, we completed the redevelopment of our Hilton Head I outlet center at a cost of approximately $34.5 million and celebrated a grand re-opening on March 31, 2011. As of December 31, 2013, the 177,000 square foot center was 98% occupied.

5. Investments in Unconsolidated Real Estate Joint Ventures

Our investments in unconsolidated joint ventures as of December 31, 2013 and 2012 aggregated $140.2 million and $126.6 million respectively. We have evaluated the accounting treatment for each of the joint ventures and have concluded based on the current facts and circumstances that the equity method of accounting should be used to account for the individual joint ventures. At December 31, 2013 and 2012, we were members of the following unconsolidated real estate joint ventures:

As of December 31, 2013

Joint Venture	Center Location	Ownership %	Square Feet	Carrying Value of Investment (in millions)	Total Joint Venture Debt (in millions)
Charlotte	Charlotte, NC	50.0	—	$ 11.6	$ —
Galveston/Houston	Texas City, TX	50.0	352,705	7.4	65.0
National Harbor	Washington D.C. Metro Area	50.0	336,286	16.7	52.4
RioCan Canada	Various	50.0	432,836	85.7	17.9
Westgate	Glendale, AZ	58.0	331,739	16.1	43.1
Wisconsin Dells	Wisconsin Dells, WI	50.0	265,086	2.5	24.3
Other			—	0.2	—
				$ 140.2	$ 202.7

As of December 31, 2012

Joint Venture	Center Location	Ownership %	Square Feet	Carrying Value of Investment (in millions)	Total Joint Venture Debt (in millions)
Deer Park	Deer Park, Long Island NY	33.3	741,981	$ 3.0	$ 246.9
Deer Park Warehouse	Deer Park, Long Island NY	33.3	29,253	—	1.9
Galveston/Houston	Texas City, TX	50.0	352,705	36.7	—
National Harbor	Washington D.C. Metro Area	50.0	—	2.6	—
RioCan Canada	Various	50.0	434,562	62.2	20.1
Westgate	Glendale, AZ	58.0	332,234	19.1	32.0
Wisconsin Dells	Wisconsin Dells, WI	50.0	265,086	2.8	24.3
Other			—	0.2	—
				$ 126.6	$ 325.2

These investments are recorded initially at cost and subsequently adjusted for our equity in the venture's net income (loss), cash contributions, distributions and other adjustments required by the equity method of accounting as described below.

Fees we received for various services provided to our unconsolidated joint ventures were recognized as follows (in thousands):

	Year Ended December 31,		
	2013	2012	2011
Fees:			
Development and leasing	$ 595	$ 193	$ 5
Loan guarantee	161	80	—
Management	1,831	1,301	1,048
Marketing	493	433	163
Total Fees	$ 3,080	$ 2,007	$ 1,216

Our investments in real estate joint ventures are reduced by the percentage of the profits earned for leasing and development services associated with our ownership interest in each joint venture. Our carrying value of investments in unconsolidated joint ventures differs from our share of the assets reported in the "Summary Balance Sheets - Unconsolidated Joint Ventures" shown below due to adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis (totaling $1.6 million and $2.0 million as of December 31, 2013 and 2012, respectively) are amortized over the various useful lives of the related assets.

Charlotte, North Carolina

In May 2013, we formed a joint venture for the development of an outlet center in the Charlotte, NC market. Subsequently, during the third quarter of 2013, the joint venture began construction on the outlet center which will be located eight miles southwest of uptown Charlotte at the interchange of I-485 and Steele Creek Road (NC Highway 160), two major thoroughfares for the city. The approximately 400,000 square foot project will feature approximately 90 brand name and designer stores and is expected to open during the third quarter of 2014.

As of December 31, 2013, we and our partner had each contributed approximately $11.5 million in cash to the joint venture to fund development activities. We are providing development services to the project; and with our partner, are jointly providing leasing services. Our partner will provide property management and marketing services to the center once open.

Deer Park, Long Island, New York

As described in Note 3, we acquired an additional one-third ownership interest in Deer Park and have consolidated the property for financial reporting purposes since the acquisition date. Prior to August 30, 2013, this was an unconsolidated joint venture.

Deer Park Warehouse, Long Island, New York

In March 2013, in connection with a loan forbearance agreement signed in 2012 with the lender to the joint venture, the warehouse property was sold for approximately $1.2 million. The proceeds were used to satisfy the terms of the forbearance agreement. There was no impact to the net income of the joint venture as a result of this sale and the retirement of the associated mortgage debt.

Galveston/Houston, Texas

In June 2011, we announced the formation of a joint venture for the development of a Tanger Outlet Center south of Houston in Texas City, Texas. Tanger Outlets Texas City, which opened October 19, 2012, contains approximately 353,000 square feet, with room for expansion for a total build out of approximately 470,000 square feet. The development was initially fully funded with equity contributed to the joint venture by Tanger and its partner. In July 2013, the joint venture closed on a $70.0 million mortgage loan with a rate of LIBOR + 1.50% and a maturity date of July 1, 2017, with the option to extend the maturity for one additional year. The joint venture received total loan proceeds of $65.0 million and distributed the proceeds equally to the partners. We used our share of the proceeds to reduce amounts outstanding under our unsecured lines of credit. We provide property management and marketing services to the center; and with our partner, are jointly providing development and leasing services.

National Harbor, Washington, D.C. Metro Area

In May 2011, we announced the formation of a joint venture for the development of a Tanger Outlet Center at National Harbor in the Washington, D.C. Metro area. In November 2012, the joint venture broke ground and began development and both parties made equity contributions of $17.2 million to fund initial development costs. In May 2013, the joint venture closed on a construction loan with the ability to borrow up to $62.0 million and which carries an interest rate of LIBOR + 1.65%. As of December 31, 2013 the balance on the loan was $52.4 million. The approximately 336,000 square feet center opened in November 2013. We provide property management, leasing and marketing services to the joint venture; and with our partner, jointly provided site development and construction supervision services.

RioCan Canada

We have entered into a 50/50 co-ownership agreement with RioCan Real Estate Investment Trust to develop and acquire outlet centers in Canada. Any projects developed or acquired will be branded as Tanger Outlet Centers. We provide leasing and marketing services and RioCan provides development and property management services.

In December 2011, the co-owners purchased the Cookstown Outlet Mall. The existing outlet center was acquired for $47.4 million, plus an additional $13.8 million for excess land upon the seller meeting certain conditions, for an aggregate purchase price of $61.2 million. In connection with the purchase, the co-owners assumed the in-place financing of $29.6 million. In March 2012, the co-owners retired the outstanding loan and we contributed an additional $15.1 million to fund our portion of the payment. In March of 2013 the co-owners acquired the land adjacent to the existing Cookstown Outlet Mall for $13.9 million. The land is being used for the expansion of the Cookstown Outlet Mall which began in May 2013. The expansion, which is expected to open in the fourth quarter of 2014 and will add approximately 153,000 square feet to the center.

During the first quarter of 2012, the co-owners terminated an option contract to develop a center in Halton Hills, Ontario and accordingly wrote-off pre-development costs of approximately $1.4 million.

In November 2012, the co-owners acquired two existing outlet centers in the Montreal, Quebec market for an aggregate purchase price of approximately $94.8 million. The purchase price includes the assumption of mortgages totaling $18.7 million at Les Factoreries Saint-Sauveur, which carry a weighted average interest rate of 5.7% and mature in 2015 and 2020. There is no in-place financing associated with the Bromont Outlet Mall acquisition.

Les Factoreries Saint-Sauveur, is located northwest of Montreal adjacent to Highway 15 in the town of Saint-Sauveur, Quebec. The property was built in 1980, and expanded in 2006, and is approximately 116,000 square feet with the potential to expand to approximately 131,000 square feet.

The Bromont Outlet Mall, is located east of Montreal near the eastern townships adjacent to Highway 10 in the town of Bromont, Quebec. The property was built in 2004 and expanded through 2011, and is approximately 162,000 square feet with the potential to expand to approximately 251,000 square feet.

Also, during the second quarter of 2013, the co-owners purchased land for $28.7 million and broke ground on Tanger Outlets Ottawa, the first ground up development of a Tanger Outlet Center in Canada. Located in suburban Kanata off the TransCanada Highway (Highway 417) at Palladium Drive , this center will contain approximately 303,000 square feet and will feature approximately 80 brand name and designer outlet stores. The center is currently expected to open in the fourth quarter of 2014.

Westgate, Glendale, Arizona

On May 4, 2012, we formed a joint venture for the development of a Tanger Outlet Center in Glendale, Arizona. On June 27, 2012, the joint venture closed on a construction loan with the ability to borrow up to $48.3 million, which carries an interest rate of LIBOR + 1.75%. As of December 31, 2013, the joint venture's balance on the loan was $43.1 million. The approximately 332,000 square feet center opened on November 15, 2012. We provide property management, construction supervision, leasing and marketing services to the joint venture.

Wisconsin Dells, Wisconsin

In March 2005, we established the Wisconsin Dells joint venture to construct and operate a Tanger Outlet Center in Wisconsin Dells, Wisconsin. In December 2012, the joint venture closed on the refinance of its $24.3 million mortgage loan. The refinanced interest-only, non-recourse mortgage loan has a 10 year term and carries an interest rate of LIBOR + 2.25%. We are providing property management, leasing and marketing services to the joint venture.

Condensed combined summary financial information of joint ventures accounted for using the equity method as of December 31, 2013 and 2012 is as follows (in thousands):

Condensed Combined Balance Sheets - Unconsolidated Joint Ventures	2013	2012
Assets		
Land	$ 66,020	$ 110,665
Buildings, improvements and fixtures	327,972	493,424
Construction in progress, including land	86,880	2,128
	480,872	606,217
Accumulated depreciation	(29,523)	(62,547)
Total rental property, net	451,349	543,670
Assets held for sale (1)	—	1,828
Cash and cash equivalents	22,704	21,879
Deferred lease costs, net	19,281	24,411
Deferred debt origination costs, net	1,737	5,213
Prepaids and other assets	9,107	25,350
Total assets	$ 504,178	$ 622,351
Liabilities and Owners' Equity		
Mortgages payable	$ 202,688	$ 325,192
Construction trade payables	19,370	21,734
Accounts payable and other liabilities	8,540	31,944
Total liabilities	230,598	378,870
Owners' equity	273,580	243,481
Total liabilities and owners' equity	$ 504,178	$ 622,351

(1) Assets related to our Deer Park Warehouse joint venture that were sold in March 2013.

Condensed Combined Statements of Operations- Unconsolidated Joint Ventures:	Year Ended December 31,		
	2013	2012	2011
Revenues [1]	$ 85,682	$ 54,936	$ 38,847
Expenses:			
Property operating	31,610	24,678	18,034
General and administrative	977	970	250
Acquisition costs	477	1,437	—
Abandoned development costs	153	1,447	—
Impairment charge [2]	—	420	900
Depreciation and amortization	26,912	19,914	14,242
	60,129	48,866	33,426
Operating income	25,553	6,070	5,421
Gain on early extinguishment of debt	13,820	—	—
Interest expense	(11,602)	(14,760)	(10,456)
Net income (loss)	$ 27,771	$ (8,690)	$ (5,035)
The Company and Operating Partnership's share of:			
Net income (loss)	$ 11,040	$ (3,295)	$ (1,565)
Depreciation and asset impairments (real estate related) [2]	12,419	8,245	5,475

(1) Note that revenues for the year ended December 31, 2013 include approximately $9.5 million of other income from the settlement of a lawsuit at Deer Park prior to our acquisition of an additional one-third interest in and the consolidation of the property.

(2) The years ended December 31, 2012 and 2011, respectively, includes impairment charges recorded at the Deer Park Warehouse joint venture entity, of which our share is one-third based on our 33.3% ownership percentage. There has been no significant amount of income or expense associated with the activities of this entity in any of the years presented. The assets related to the venture were sold in March 2013.

6. Deferred Charges

Deferred lease costs and other intangibles, net as of December 31, 2013 and 2012 consist of the following (in thousands):

	2013	2012
Deferred lease costs	$ 60,657	$ 56,327
Intangible assets:		
Above market leases	49,584	31,735
Lease in place value	102,085	75,910
Tenant relationships	62,438	37,360
Other intangibles	45,534	44,139
	320,298	245,471
Accumulated amortization	(156,717)	(138,056)
Deferred lease costs and other intangibles, net	$ 163,581	$ 107,415

Below market lease intangibles, net of accumulated amortization, included in other liabilities on the consolidated balance sheets as of December 31, 2013 and 2012 were $15.7 million and $6.4 million, respectively

Amortization of deferred lease costs and other intangibles, excluding above and below market leases, included in depreciation and amortization for the years ended December 31, 2013, 2012 and 2011 was $19.8 million, $24.1 million and $17.0 million, respectively.

Amortization of above and below market lease intangibles recorded as an increase or (decrease) in base rentals for the years ended December 31, 2013, 2012 and 2011 was $(686,000), $803,000 and $697,000, respectively.

Estimated aggregate amortization of net above and below market leases and other intangibles for each of the five succeeding years is as follows (in thousands):

Year	Above/below market leases, net	Deferred lease costs and other intangibles
2014	$ 2,157	$ 14,109
2015	2,466	12,136
2016	2,101	10,578
2017	2,133	8,680
2018	1,970	7,612
Total	$ 10,827	$ 53,115

Deferred debt origination costs, net as of December 31, 2013 and 2012 consist of the following (in thousands):

	2013	2012
Deferred debt origination costs	$ 20,112	$ 16,110
Accumulated amortization	(9,294)	(7,027)
Deferred debt origination costs, net	$ 10,818	$ 9,083

Amortization of deferred debt origination costs included in interest expense for the years ended December 31, 2013, 2012 and 2011 was $2.2 million, $2.3 million and $2.1 million, respectively.

7. Debt of the Company

All of the Company's debt is held by the Operating Partnership and its consolidated subsidiaries.

The Company guarantees the Operating Partnership's obligations with respect to its unsecured lines of credit which have a total borrowing capacity of $520.0 million. As of December 31, 2013 and December 31, 2012, the Operating Partnership had amounts outstanding on these lines totaling $16.2 million and $178.3 million, respectively.

The Company also guarantees the Operating Partnership's unsecured term loan in the amount of $250.0 million as well as its obligation with respect to the mortgage assumed in connection with the acquisition of the outlet center in Ocean City, Maryland in July 2011.

8. Debt of the Operating Partnership

Debt as of December 31, 2013 and 2012 consists of the following (in thousands):

			As of December 31, 2013		As of December 31, 2012	
	Stated Interest Rate(s)	Maturity Date	Principal	Premium (Discount)	Principal	Premium (Discount)
Senior, unsecured notes:						
Senior notes	6.15%	November 2015	$ 250,000	$ (211)	$ 250,000	$ (317)
Senior notes	6.125%	June 2020	300,000	(1,469)	300,000	(1,650)
Senior notes	3.875%	December 2023	250,000	(4,072)	—	—
Mortgages payable:						
Atlantic City (1)	5.14%-7.65%	November 2021-December 2026	48,535	4,091	52,212	4,495
Deer Park	LIBOR + 1.50%	August 2018	150,000	(1,478)	—	—
Hershey (1)	5.17%-8.00%	August 2015	29,970	993	30,631	1,582
Ocean City (1)	5.24%	January 2016	18,193	193	18,540	285
Note payable (1)	1.50%	June 2016	10,000	(396)	10,000	(547)
Unsecured term loan (2)	LIBOR + 1.60%	February 2019	250,000	—	250,000	—
Unsecured term note	LIBOR + 1.30%	August 2017	7,500	—	—	—
Unsecured lines of credit	LIBOR + 1.00%	October 2017	16,200	—	178,306	—
			$ 1,330,398	$ (2,349)	$ 1,089,689	$ 3,848

(1) The effective interest rates assigned during the purchase price allocation to these assumed mortgages and note payable during acquisitions in 2011 were as follows: Atlantic City 5.05%, Ocean City 4.68%, Hershey 3.40% and note payable 3.15%.

(2) This unsecured term loan is pre-payable without penalty beginning in February of 2015.

Certain of our properties, which had a net book value of approximately $566.7 million at December 31, 2013, serve as collateral for mortgages payable. We maintain unsecured lines of credit that provide for borrowings of up to $520.0 million. The unsecured lines of credit include a $20.0 million liquidity line and a $500.0 million syndicated line. The syndicated line may be increased to $750.0 million through an accordion feature in certain circumstances.

The unsecured lines of credit and senior unsecured notes include covenants that require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. As of December 31, 2013 we were in compliance with all of our debt covenants.

2013 Transactions

Assumption of $150.0 Mortgage and Entrance into Derivatives

in August 2013, as part of the acquisition of a controlling ownership interest in Deer Park, we assumed an $150.0 million interest only mortgage loan, including a fair value discount of $1.6 million. The loan has a 5 year term and carries an interest rate of LIBOR + 1.50%. In October 2013, we entered into interest rate swap agreements to reduce our floating rate debt exposure by locking the interest rate on the $150.0 million mortgage. The interest rate swap agreements fix the base LIBOR rate at an average of 1.30%, creating a contractual interest rate for the loan of 2.80% through August 2018.

Extension of Unsecured Lines of Credit

In October 2013, we closed on amendments to our unsecured lines of credit, extending the maturity, and reducing the overall borrowing costs. The maturity of these facilities was extended from November 10, 2015 to October 24, 2017 with the ability to further extend the maturity for an additional year at our option. The annual commitment fee, which is payable on the full $520.0 million in loan commitments, was reduced from 0.175% to 0.15%, and the interest rate spread over LIBOR was reduced from 1.10% to 1.00% based on our current credit rating. Loan origination costs associated with the amendments totaled approximately $1.5 million.

$250.0 Million Unsecured Senior Notes

In November 2013, we announced that Tanger Properties Limited Partnership, completed a public offering of $250.0 million in senior notes due 2023 in an underwritten public offering. The notes were priced at 98.360% of the principal amount to yield 4.076% to maturity. The notes will pay interest semi-annually at a rate of 3.875% per annum and mature on December 1, 2023. The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $243.6 million. We used the net proceeds from the sale of the notes to repay borrowings under our unsecured lines of credit.

2012 Transactions

In February 2012, the Operating Partnership closed on a seven-year $250.0 million unsecured term loan. The term loan is interest only, matures in the first quarter of 2019 and is pre-payable without penalty beginning in February of 2015. Based on our current credit ratings, the loan has an interest rate of LIBOR + 1.60%. We used the net proceeds of the term loan to reduce the outstanding balances on our unsecured lines of credit.

2011 Transactions

$150.0 Million Senior Unsecured Bridge Loan

In June 2011, the Operating Partnership closed on a $150.0 million senior, unsecured bridge loan at an interest rate of LIBOR + 1.60% and used the proceeds from the loan to fund the acquisition of the Jeffersonville, Ohio outlet center. In November 2011, the Operating Partnership repaid this bridge loan in conjunction with the recast of its unsecured lines of credit.

Exchangeable Notes

In July 2011, the Operating Partnership issued a notice that it would redeem all outstanding senior exchangeable notes on August 18, 2011, the five year anniversary of the issuance of the notes. In response to this notice, all of the remaining noteholders exercised their exchange rights. In total during 2011, bonds in the amount of $7.2 million were exchanged and 136,360 Company common shares were issued to note holders in addition to the principal repayments.

Assumption of Mortgages Payable

In association with the acquisitions during the third and fourth quarters of 2011 described in Note 3, the Operating Partnership assumed mortgage debt in the amount of $112.7 million, including total fair value premiums of $7.1 million.

Debt Maturities

Maturities of the existing long-term debt as of December 31, 2013 are as follows (in thousands):

Calendar Year	Amount
2014	$ 3,603
2015	282,343
2016	30,283
2017	26,708
2018	153,183
Thereafter	834,278
Subtotal	1,330,398
Net discount	(2,349)
Total	$ 1,328,049

9. Derivative Financial Instruments

The following table summarizes the terms and fair values of our derivative financial instruments, as well as their classifications within the consolidated balance sheets as of December 31, 2013 (in thousands):

Effective Date	Maturity Date	Notional Amount	Bank Pay Rate	Company Fixed Pay Rate	Fair Value 2013
Assets:					
November 14, 2013	August 14, 2018	$ 50,000	1 month LIBOR	1.3075 %	$ 455
November 14, 2013	August 14, 2018	50,000	1 month LIBOR	1.2970 %	440
November 14, 2013	August 14, 2018	50,000	1 month LIBOR	1.3025 %	487
Total		$ 150,000			$ 1,382

The derivative financial instruments are comprised of interest rate swaps, which are designated and qualify as cash flow hedges, each with a separate counterparty. We do not use derivatives for trading or speculative purposes and currently do not have any derivatives that are not designated as hedges.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in accumulated other comprehensive income (loss) and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivative, if any, is recognized directly in earnings.

The following table represents the effect of the derivative financial instruments on the accompanying consolidated financial statements for the years ended December 31, 2013, 2012 and 2011, respectively (in thousands):

	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)			Location of Gain (Loss) Reclassification from Accumulated OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		
	December 31,				December 31,		
	2013	2012	2011		2013	2012	2011
Interest Rate Swaps	$ 1,382	$ —	$ —		$ —	$ —	$ —
Treasury Rate Lock	—	—	—	Interest Expense	371	351	331

In 2005, we settled two US treasury rate lock agreements associated with a 10 year senior, unsecured bond offering and received approximately $3.2 million. The unamortized balance of the settled agreements as of December 31, 2013 and 2012 was approximately $741,000 and $1.1 million, respectively. As of December 31, 2013, we expect approximately $395,000 of deferred gains on derivative instruments in accumulated other comprehensive income to be reclassified into earnings during the next twelve months.

10. Fair Value Measurements

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as follows:

Tier	Description
Level 1	Observable inputs such as quoted prices in active markets
Level 2	Inputs other than quoted prices in active markets that are either directly or indirectly observable
Level 3	Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

The following table sets forth our assets and liabilities that are measured at fair value within the fair value hierarchy:

		Level 1	Level 2	Level 3
	Total	Quoted Prices in Active Markets for Identical Assets or Liabilities	Significant Observable Inputs	Significant Unobservable Inputs
Fair value as of December 31, 2013:				
Assets:				
Interest rate swaps (prepaids and other assets)	$ 1,382	$ —	$ 1,382	$ —
Total assets	$ 1,382	$ —	$ 1,382	$ —

As of December 31, 2012 our financial statements did not contain any assets or liabilities measured at fair value within the fair value hierarchy.

The estimated fair value of our debt, consisting of senior unsecured notes, mortgages unsecured term loans and unsecured lines of credit, at December 31, 2013 and 2012 was $1.4 billion and $1.2 billion, respectively, and its recorded value was $1.3 billion and $1.1 billion, respectively. Fair values were determined, based on level 2 inputs, using discounted cash flow analysis with an interest rate or credit spread similar to that of current market borrowing arrangements.

The carrying values of cash and cash equivalents, receivables, accounts payable, accrued expenses and other assets and liabilities are reasonable estimates of their fair values because of the short maturities of these instruments.

11. Shareholders' Equity of the Company

2013 Transactions

For the year ended December 31, 2013, Non-Company LPs exchanged a total of 67,428 Class A common limited partnership units of the Operating Partnership for an equal number of common shares of the Company. After the above described exchanges, the Non-Company LPs owned 5,145,012 Class A common limited partnership. Each Class A common limited partnership units is exchangeable for one common share of the Company.

2012 Transactions

For the year ended December 31, 2012, Non-Company LPs exchanged a total of 6,730,208 Class A common limited partnership units of the Operating Partnership for an equal number of common shares of the Company.

2011 Transactions

Common Share Offering

On July 6, 2011, the Company completed a public offering of 4.6 million common shares at a price of $25.662 per share. The net proceeds to the Company from the offering, after deducting estimated offering expenses, were approximately $117.4 million. Net proceeds from the offering were contributed to the Operating Partnership in exchange for 52,000 common general partnership units and 4,548,000 Class B common limited partnership units. Class B common limited partnership units, which are held by Tanger LP Trust, a wholly owned subsidiary of the Company, are not exchangeable for common shares of the Company. The Operating Partnership used the net proceeds from the offering to repay borrowings under its unsecured lines of credit and for general corporate purposes.

Redemption of Senior Exchangeable Notes

As discussed in Note 8, 136,360 common shares of the Company were issued in connection with the exchange of senior exchangeable notes during 2011.

Exchange of Operating Partnership Units for Company Common Shares

On August 17, 2011, 641,328 Class A common limited partnership units were exchanged for an equal number of common shares of the Company.

12. Partners' Equity of the Operating Partnership

In August 2013, the Operating Partnership's operating agreement was amended to, among other things, effect a four-for-one split of the outstanding partnership units. After the effect of the split, each Class A common limited partnership unit held by Non-Company LPs may be exchanged for one common share of the Company. Prior to the split, each unit held by the Non-Company LPs was exchangeable for four common shares of the Company. All references to the number of units outstanding and per unit amounts reflect the effect of the split for all periods presented.

All units of partnership interest issued by the Operating Partnership have equal rights with respect to earnings, dividends and net assets. When the Company issues common shares upon the exercise of options, the issuance of restricted share awards or the exchange of Class A common limited partnership units, the Operating Partnership issues a corresponding Class B common limited partnership unit to Tanger LP trust, a wholly owned subsidiary of the Company.

Also, in August 2013 as disclosed in Note 3, the Operating Partnership issued 450,576 Class A common limited partnership units as partial consideration for the acquisition of an additional one-third interest in Deer Park.

The following table sets forth the changes in outstanding partnership units for the years ended December 31, 2013, 2012 and 2011:

	General partnership units	Limited Partnership Units		
		Class A	Class B	Total
Balance December 31, 2010	948,000	12,133,220	80,048,068	92,181,288
Units issued in exchange for proceeds from the Company's common share offering	52,000	—	4,548,000	4,548,000
Exchange of Class A limited partnership units	—	(641,328)	641,328	—
Grant of restricted units	—	—	317,400	317,400
Units issued upon redemption of senior exchangeable notes	—	—	136,360	136,360
Units issued upon exercise of options	—	—	36,500	36,500
Balance December 31, 2011	1,000,000	11,491,892	85,727,656	97,219,548
Exchange of Class A limited partnership units	—	(6,730,028)	6,730,028	—
Grant of restricted units	—	—	566,000	566,000
Units issued upon exercise of options	—	—	37,700	37,700
Balance December 31, 2012	1,000,000	4,761,864	93,061,384	97,823,248
Exchange of Class A limited partnership units	—	(67,428)	67,428	—
Grant of restricted units	—	—	332,373	332,373
Units issued upon exercise of options	—	—	44,500	44,500
Units issued as consideration for business acquisition (see Note 3)	—	450,576	—	450,576
Balance December 31, 2013	1,000,000	5,145,012	93,505,685	98,650,697

13. Noncontrolling Interests

Noncontrolling interests in the Operating Partnership relate to the interests in the Operating Partnership owned by Non-Company LPs as discussed in Note 2. The noncontrolling interests in other consolidated partnerships consist of outside equity interests in partnerships not wholly owned by the Company or the Operating Partnership that are consolidated with the financial results of the Company and Operating Partnership because the Operating Partnership exercises control over the entities that own the properties.

As discussed in Note 11, Non-Company LPs exchanged during 2013 a total of 67,428 Class A common limited partnership units for an equal number of common shares of the Company and during 2012 exchanged 6,730,028 Class A common limited partnership units for an equal number of common shares of the Company. Therefore, the Company recorded an increase to additional paid-in capital of $11.1 million during 2013 and $34.9 million in 2012 to reflect the transfer of ownership interests from a noncontrolling unit holder to a shareholder of the Company's common shares. The changes in the Company's ownership interests in the subsidiaries impacted consolidated equity during the periods shown as follows:

	2013	2012
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 107,557	$ 53,228
Increase (decrease) in Tanger Factory Outlet Centers, Inc. paid-in-capital adjustments to noncontrolling interests (1)	11,130	34,910
Changes from net income attributable to Tanger Factory Outlet Centers, Inc. and transfers from noncontrolling interest	$ 118,687	$ 88,138

(1) In 2013 and 2012, adjustments of the noncontrolling interest were made as a result of increases in the Company's ownership of the Operating Partnership from additional units received in connection with the Company's issuance of common shares upon exercise of options, share-based compensation and the issuance of common shares upon exchange of Class A common limited partnership units.

14. Earnings Per Share of the Company

The following table sets forth a reconciliation of the numerators and denominators in computing earnings per share for the years ended December 31, 2013, 2012 and 2011 (in thousands, except per share amounts):

	2013	2012	2011
NUMERATOR			
Income from continuing operations attributable to Tanger Factory Outlet Centers, Inc.	$ 107,557	$ 53,228	$ 44,641
Less allocation of earnings to participating securities	(1,126)	(784)	(684)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	$ 106,431	$ 52,444	$ 43,957
DENOMINATOR			
Basic weighted average common shares	93,311	91,733	83,000
Effect of notional units	849	846	965
Effect of exchangeable notes	—	—	93
Effect of outstanding options and certain restricted shares	87	82	71
Diluted weighted average common shares	94,247	92,661	84,129
Basic earnings per common share:			
Net income	$ 1.14	$ 0.57	$ 0.53
Diluted earnings per common share:			
Net income	$ 1.13	$ 0.57	$ 0.52

The notional units are considered contingently issuable common shares and are included in earnings per share if the effect is dilutive using the treasury stock method.

Outstanding senior, exchangeable notes were included in the diluted earnings per share computation, if the effect was dilutive, using the treasury stock method. In applying the treasury stock method, the effect was dilutive if the average market price of our common shares for at least 20 trading days in the 30 consecutive trading days at the end of each quarter were higher than the exchange price, which prior to redemption was $17.83 per share. The remaining senior exchangeable notes were exchanged for the Company's common shares during 2011.

The computation of diluted earnings per share excludes options to purchase common shares when the exercise price is greater than the average market price of the common shares for the period. For the year ended December 31, 2013, no options were excluded from the computation, and for the years ended December 31, 2012 and 2011, 17,600, and 183,500 options were excluded from the computation, respectively. The assumed exchange of the partnership units held by the Non-Company LPs as of the beginning of the year, which would result in the elimination of earnings allocated to the noncontrolling interest in the Operating Partnership, would have no impact on earnings per share since the allocation of earnings to a common limited partnership unit, as if exchanged, is equivalent to earnings allocated to a common share.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to dividends or dividend equivalents. The impact of these unvested restricted common share awards on earnings per share has been calculated using the two-class method whereby earnings are allocated to the unvested restricted common share awards based on dividends declared and the unvested restricted common shares' participation rights in undistributed earnings. Unvested restricted common shares that do not contain non-forfeitable rights to dividends or dividend equivalents are included in the diluted earnings per share computation if the effect is dilutive, using the treasury stock method.

15. Earnings Per Unit of the Operating Partnership

The following table sets forth a reconciliation of the numerators and denominators in computing earnings per unit for the years ended December 31, 2013, 2012 and 2011 (in thousands, except per unit amounts). Note that all per unit amounts reflect a four-for-one split of the Operating Partnership's units in August 2013:

	2013	2012	2011
NUMERATOR			
Income from continuing operations available to partners of the Operating Partnership	$ 113,200	$ 56,495	$ 50,997
Allocation of earnings to participating securities	(1,129)	(784)	(684)
Net income available to common unitholders of the Operating Partnership	$ 112,071	$ 55,711	$ 50,313
DENOMINATOR			
Basic weighted average common units	98,193	97,677	94,892
Effect of notional units	849	846	965
Effect of exchangeable notes	—	—	93
Effect of outstanding options and certain restricted units	87	82	71
Diluted weighted average common units	99,129	98,605	96,021
Basic earnings per common unit:			
Net income	$ 1.14	$ 0.57	$ 0.53
Diluted earnings per common unit:			
Net income	$ 1.13	$ 0.57	$ 0.52

The notional units are considered contingently issuable common units and are included in earnings per unit if the effect is dilutive using the treasury stock method.

When the Company issues common shares upon the exercise of options or issues restricted share awards, the Operating Partnership issues one corresponding Class B common limited partnership unit to Tanger LP Trust, a wholly owned subsidiary of the Company, for each Company common share issued.

Outstanding senior, exchangeable notes were included in the diluted earnings per unit computation, if the effect was dilutive, using the treasury stock method. In applying the treasury stock method, the effect was dilutive if the average market price of the Company's common shares for at least 20 trading days in the 30 consecutive trading days at the end of each quarter were higher than the exchange price, which prior to redemption was $17.83 per share. The remaining senior exchangeable notes were exchanged for the Company's common shares during 2011.

The computation of diluted earnings per unit excludes options to purchase common units when the exercise price is greater than the average market price of the common units for the period. The market price of a common unit is considered to be equivalent to the market price of a Company common share. For the year ended December 31, 2013, no options were excluded from the computation, and for the years ended December 31, 2012 and 2011, 17,600 and 183,500 options were excluded from the computation, respectively.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to distributions or distribution equivalents. The impact of the corresponding unvested restricted unit awards on earnings per unit has been calculated using the two-class method whereby earnings are allocated to the unvested restricted unit awards based on distributions declared and the unvested restricted units' participation rights in undistributed earnings. Unvested restricted common units that do not contain non-forfeitable rights to dividends or dividend equivalents are included in the diluted earnings per unit computation if the effect is dilutive, using the treasury stock method.

16. Equity-Based Compensation

We have a shareholder approved equity-based compensation plan, the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers and Tanger Properties Limited Partnership (the "Plan"), which covers our independent directors, officers and our employees. For each common share issued by the Company, the Operating Partnership issues one corresponding unit of partnership interest to the Company's wholly owned subsidiaries. Therefore, when the Company grants an equity based award, the Operating Partnership treats each award as having been granted by the Operating Partnership. In the discussion below, the term "we" refers to the Company and the Operating Partnership together and the term "shares" is meant to also include corresponding units of the Operating Partnership.

We may issue up to 15.4 million common shares under the Plan. Through December 31, 2013, we had granted 7,332,760 options, net of options forfeited, and 3,678,193 restricted common share awards, net of restricted common shares forfeited, and notional units which may result in the issuance of a maximum of 1,248,919 common shares. Shares remaining available for future issuance totaled 3,140,128 common shares. The amount and terms of the awards granted under the Plan were determined by the Share and Unit Option Committee of the Board of Directors.

In February 2013, the Compensation Committee of the Company approved the general terms of the Tanger Factory Outlet Centers, Inc. 2013 Outperformance Plan (the “2013 OPP"). The 2013 OPP provides for the grant of performance shares under the Amended and Restated Incentive Award Plan of Tanger Factory Outlet Centers, Inc.

The 2013 OPP is a long-term incentive compensation plan pursuant to which award recipients may earn up to an aggregate of 315,150 restricted common shares of the Company based on the Company’s absolute share price appreciation (or total shareholder return) and its share price appreciation relative to its peer group, over a three year measurement period from January 1, 2013 through December 31, 2015. The maximum number of shares will be earned under this plan if the Company both (a) achieves 35% or higher share price appreciation, inclusive of all dividends paid, over the three-year measurement period and (b) is in the 70th or greater percentile of its peer group for total shareholder return over the three-year measurement period. The maximum value of the awards that could be earned on December 31, 2015, if the Company achieves or exceeds the 35% share price appreciation and is in the 70th or greater percentile of its peer group for total shareholder return over the three-year measurement period, will equal approximately $13.3 million.

Any shares earned on December 31, 2015 are also subject to a time based vesting schedule, with 50% of the shares vesting on January 4, 2016 and the remaining 50% vesting on January 3, 2017, contingent upon continued employment with the Company through the vesting dates.

With respect to 70% of the performance shares (or 220,605 shares), 33.33% of this portion of the award (or 73,535 shares) will be earned if the Company’s aggregate share price appreciation, inclusive of all dividends paid during this period, equals 25% over the three-year measurement period, 66.67% of the award (or 147,070 shares) will be earned if the Company’s aggregate share price appreciation, inclusive of all dividends paid during this period equals 30%, and 100% of this portion of the award (or 220,605 shares) will be earned if the Company’s aggregate share price appreciation, inclusive of all dividends paid during this period, equals 35% or higher.

With respect to 30% of the performance shares (or 94,545 shares), 33.33% of this portion of the award (or 31,515 shares) will be earned if the Company's share price appreciation inclusive of all dividends paid is in the 50th percentile of its peer group over the three-year measurement period, 66.67% of this portion of the award (or 63,030 shares) will be earned if the Company's share price appreciation inclusive of all dividends paid is in the 60th percentile of its peer group during this period, and 100% of this portion of the award (or 94,545 shares) will be earned if the Company's share price appreciation inclusive of all dividends paid is in the 70th percentile of its peer group or greater during this period. The peer group will be based on the SNL Equity REIT index.

The performance shares will convert on a pro-rata basis by linear interpolation between share price appreciation thresholds, both for absolute share price appreciation and for relative share price appreciation amongst the Company's peer group. The share price targets will be reduced on a dollar-for-dollar basis with respect to any dividend payments made during the measurement period. The compensation expense is amortized using the graded vesting attribution method over the requisite service period. The fair value of the awards are calculated using a Monte Carlo simulation pricing model.

During 2013, 2012 and 2011, the Board of Directors approved the grant of 349,373, 346,000 and 329,000 restricted common shares, respectively, to the independent directors and the senior executive officers. The independent directors' restricted common shares vest ratably over a three year period and the senior executive officers' restricted common shares vest ratably over a five year period. For all of the restricted common share awards described above, the grant date fair value of the award was determined based upon the closing market price of the Company's common shares on the day prior to the grant date and the associated compensation expense is being recognized in accordance with the vesting schedule of each grant.

In addition, during February 2012, the Board of Directors approved the grant of 225,000 restricted common shares with a grant date fair value of $25.44 to Steven B. Tanger, our President and Chief Executive Officer, under the terms of his amended and restated Employment Agreement (the "Employment Agreement") signed on February 28, 2012. Under the terms of the Employment Agreement, the Company granted Mr. Tanger the following: 45,000 fully-vested common shares; 90,000 restricted common shares that vest ratably over five years based on Mr. Tanger's continued employment with the Company and 90,000 restricted common shares that vest ratably over five years based on Mr. Tanger's continued employment with the Company and the Company achieving certain minimum total returns to shareholders.

In February 2011, the Company's Board of Directors approved the grant of 191,500 options to non-executive employees of the Company. The exercise price of the options granted during the first quarter of 2011 is $26.06 which equaled the closing market price of the Company's common shares on the day prior to the grant date. The options expire 10 years from the date of grant and 20% of the options become exercisable in each of the first five years commencing one year from the date of grant. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for the 2011 grant: expected dividend yield 3.0%; expected life of 7 years; expected volatility of 32.8%; a risk-free rate of 2.9%; and forfeiture rates of 3.0% to 20.0% dependent upon the employee's position within the Company.

Also, during the first quarter of 2010, the Company's Compensation Committee Approved the general terms of the Tanger Factory Outlet Centers, Inc. 2010 Multi-Year Performance Plan, (the "2010 Multi Year Performance Plan"). Under the 2010 Multi-Year Performance Plan, we granted 392,000 notional units, net of notional units forfeited, to award recipients as a group, which would convert into restricted common shares on a one-for one basis, one-for two basis, or one-for-three basis depending upon the amount by which the Company's common shares appreciated above a minimum level over a four year performance period ending December 31, 2013, not to exceed a total value of approximately $32.2 million. Based on the Company's performance over the four year measurement period, we issued 933,769 restricted common shares in January 2014 which will vest on December 31, 2014 contingent on continued employment through the vesting date. In accordance with the plan, on December 31, 2013, we accrued approximately $3.8 million which represented cumulative dividends that would have been paid to the award recipients had the number of earned common shares been issued at the beginning of the performance period. The amount accrued was paid in January 2014.

We recorded share based compensation expense in general and administrative expenses in the consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011, respectively, as follows (in thousands):

	2013	2012	2011
Restricted common shares	$ 8,354	$ 8,497	$ 5,227
Notional unit performance awards	2,847	1,970	1,885
Options	175	209	179
Total share based compensation	$ 11,376	$ 10,676	$ 7,291

(1) For the year ended December 31, 2012, includes approximately$1.3 million of compensation expense related to 45,000 common shares that vested immediately upon grant related to the Employment Agreement described above.

Share-based compensation expense capitalized as a part of rental property and deferred lease costs during the years ended December 31, 2013, 2012 and 2011 was $367,000, $368,000 and $234,000, respectively.

Options outstanding at December 31, 2013 had the following weighted average exercise prices and weighted average remaining contractual lives:

	Options Outstanding			Options Exercisable	
Exercise prices	Options	Weighted average exercise price	Weighted remaining contractual life in years	Options	Weighted average exercise price
$ 9.71	9,200	$ 9.71	0.32	9,200	$ 9.71
11.81	12,000	11.81	0.84	12,000	11.81
26.06	145,100	26.06	7.10	48,200	26.06
	166,300	$ 24.13	6.28	69,400	$ 21.43

A summary of option activity under our Amended and Restated Incentive Award Plan as of December 31, 2013 and changes during the year then ended is presented below (aggregate intrinsic value amount in thousands):

Options	Shares	Weighted-average exercise price	Weighted-average remaining contractual life in years	Aggregate intrinsic value
Outstanding as of December 31, 2012	215,800	$ 22.16		
Granted	—	—		
Exercised	(44,500)	14.37		
Forfeited	(5,000)	26.06		
Outstanding as of December 31, 2013	166,300	$ 24.13	6.28	$ 1,334
Vested and Expected to Vest as of December 31, 2013	140,020	$ 23.76	6.11	$ 1,174
Exercisable as of December 31, 2013	69,400	$ 21.43	5.05	$ 744

The total intrinsic value of options exercised during the years ended December 31, 2013, 2012 and 2011 was $905,000, $716,000 and $652,000, respectively.

The following table summarizes information related to unvested restricted common shares outstanding as of December 31, 2013:

Unvested Restricted Common Shares	Number of shares	Weighted average grant date fair value
Unvested at December 31, 2012	1,047,993	$ 24.39
Granted	349,373	31.01
Vested	(327,400)	23.26
Forfeited	(12,000)	25.61
Unvested at December 31, 2013	1,057,966	$ 26.91

The total value of restricted common shares vested during the years ended 2013, 2012 and 2011 was $10.9 million, $10.6 million and $7.1 million, respectively.

As of December 31, 2013, there was $27.6 million of total unrecognized compensation cost related to unvested common share-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 2.9 years.

17. Accumulated Other Comprehensive Income of the Company

The following table presents changes in the balances of each component of accumulated comprehensive income for the year ended December 31, 2013, 2012, and 2011 (in thousands):

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
Balance December 31, 2010	$ —	$ 1,784	$ 1,784	$ —	$ 37	$ 37
Amortization of our portion of our unconsolidated joint ventures' cash flow hedges	—	40	40	—	6	6
Amortization of cash flow hedges	—	(289)	(289)	—	(42)	(42)
Balance December 31, 2011	—	1,535	1,535	—	1	1
Amortization of cash flow hedges	—	(330)	(330)	—	(21)	(21)
Unrealized gains/(losses) on foreign currency translation adjustments	(5)	—	(5)	—	—	—
Balance December 31, 2012	(5)	1,205	1,200	—	(20)	(20)
Amortization of cash flow hedges	—	(353)	(353)	—	(18)	(18)
Unrealized gains/(losses) on foreign currency translation adjustments	(4,708)	—	(4,708)	(260)	—	(260)
Change in fair value of cash flow hedges	—	1,310	1,310	—	72	72
Realized loss on foreign currency	123	—	123	6	—	6
Balance December 31, 2013	$ (4,590)	$ 2,162	$ (2,428)	$ (254)	$ 34	$ (220)

The following represents amounts reclassified out of accumulated other comprehensive income into earnings during the years ended December 31, 2013, 2012, and 2011, respectively:

Details about Accumulated Other Comprehensive Income Components	**Amount Reclassified from Accumulated Other Comprehensive Income**			**Affected Line Item in Statement of Operations**
	2013	2012	2011	
Amortization of cash flow hedges	$ (353)	$ (330)	$ (289)	Interest expense
Realized loss on foreign currency	123	—	—	Interest expense

18. Accumulated Other Comprehensive Income of the Operating Partnership

The following table presents changes in the balances of each component of accumulated comprehensive income for the year ended December 31, 2013, 2012, and 2011 (in thousands):

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2010	$ —	$ 1,748	$ 1,748
Amortization of our portion of our unconsolidated joint ventures' cash flow hedges	—	46	46
Amortization of cash flow hedges	—	(331)	(331)
Balance December 31, 2011	—	1,463	1,463
Amortization of cash flow hedges	—	(351)	(351)
Unrealized gains/(losses) on foreign currency translation adjustments	(5)	—	(5)
Balance December 31, 2012	(5)	1,112	1,107
Amortization of cash flow hedges	—	(371)	(371)
Unrealized gains/(losses) on foreign currency translation adjustments	(4,968)	—	(4,968)
Change in fair value of cash flow hedges	—	1,382	1,382
Realized loss on foreign currency	129	—	129
Balance December 31, 2013	$ (4,844)	$ 2,123	$ (2,721)

The following represents amounts reclassified out of accumulated other comprehensive income into earnings during the years ended December 31, 2013, 2012, and 2011 (in thousands):

Details about Accumulated Other Comprehensive Income Components	**Amount Reclassified from Accumulated Other Comprehensive Income**			**Affected Line Item in Statement of Operations**
	2013	2012	2011	
Amortization of cash flow hedges	$ (371)	$ (351)	$ (331)	Interest expense
Realized loss on foreign currency	129	—	—	Interest expense

19. Supplementary Income Statement Information

The following amounts are included in property operating expenses in income from continuing operations for the years ended December 31, 2013, 2012 and 2011 (in thousands):

	2013	2012	2011
Advertising and promotion	$ 24,035	$ 23,051	$ 21,880
Common area maintenance	57,693	53,179	48,333
Real estate taxes	21,976	19,842	16,710
Other operating expenses	17,342	15,088	13,323
	$ 121,046	$ 111,160	$ 100,246

20. Lease Agreements

We are the lessor to over 2,400 stores in our 37 consolidated outlet centers, under operating leases with initial terms that expire from 2014 to 2032. Future minimum lease receipts under non-cancellable operating leases as of December 31, 2013, excluding the effect of straight-line rent and percentage rentals, are as follows (in thousands):

2014	$ 237,215
2015	217,055
2016	188,601
2017	158,404
2018	123,830
Thereafter	331,274
	$ 1,256,379

21. Commitments and Contingencies

Our non-cancelable operating leases, with initial terms in excess of one year, have terms that expire from 2014 to 2101. Annual rental payments for these leases totaled approximately $5.8 million, $5.8 million and $6.1 million, for the years ended December 31, 2013, 2012 and 2011, respectively. Minimum lease payments for the next five years and thereafter are as follows (in thousands):

2014	$ 5,602
2015	5,234
2016	5,015
2017	4,875
2018	4,850
Thereafter	280,983
	$ 306,559

Commitments to complete construction of our ongoing capital projects and other capital expenditure requirements amounted to approximately $85.8 million at December 31, 2013. Commitments for construction represent only those costs contractually required to be paid by us. Our portion of contractual commitments for ongoing capital projects and other capital expenditure requirements related to our unconsolidated joint ventures amounted to approximately $46.6 million at December 31, 2013.

We are also subject to legal proceedings and claims which have arisen in the ordinary course of our business and have not been finally adjudicated. In our opinion, the ultimate resolution of these matters is not expected to have a material effect on our results of operations, financial condition or cash flows.

22. Subsequent Events

In January 2014, we announced our plans to develop Tanger Outlets Savannah through a joint venture arrangement. The center will include approximately 385,000 square feet. In January 2014 we purchased the land on which the center being developed for $12.9 million and contributed it to the joint venture in February 2014. As of the date of this filing our equity contributions totaled $17.1 million and our partner's equity contribution totaled $7.4 million. The site is located on I-95, just north of I-16 in Pooler, Georgia, adjacent to the City of Savannah, and near the Savannah International Airport.

23. Quarterly Financial Data of the Company (Unaudited)

The following table sets forth the Company's summarized quarterly financial information for the years ended December 31, 2013 and 2012 (unaudited and in thousands, except per common share data)[(1)]. This information is not required for the Operating Partnership:

	Year Ended December 31, 2013			
	First Quarter	Second Quarter	Third Quarter [(2)]	Fourth Quarter
Total revenues	$ 88,689	$ 91,015	$ 97,903	$ 107,402
Operating income	28,515	29,856	33,531	35,993
Net income	16,229	17,776	56,180	23,136
Income attributable to Tanger Factory Outlet Centers, Inc.	15,439	16,888	53,294	21,936
Income available to common shareholders of Tanger Factory Outlet Centers, Inc.	15,245	16,657	52,685	21,706
Basic earnings per share available to common shareholders				
Net income	$ 0.16	$ 0.18	$ 0.56	$ 0.23
Diluted earnings per share available to common shareholders				
Net income	$ 0.16	$ 0.18	$ 0.56	$ 0.23

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

(2) For the third quarter, net income includes a $26.0 million gain on our previously held interest in Deer Park upon the acquisition of an additional one-third interest in August 2013, and the consolidation of Deer Park into our financial statements.

	Year Ended December 31, 2012			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenues	$ 84,243	$ 87,335	$ 90,483	$ 94,936
Operating income	22,620	25,736	29,042	32,187
Net income	8,834	12,458	16,170	19,014
Income attributable to Tanger Factory Outlet Centers, Inc.	8,128	11,717	15,237	18,056
Income available to common shareholders of Tanger Factory Outlet Centers, Inc.	7,970	11,508	15,118	17,848
Basic earnings per share available to common shareholders				
Net income	$ 0.09	$ 0.13	$ 0.16	$ 0.19
Diluted earnings per share available to common shareholders				
Net income	$ 0.09	$ 0.12	$ 0.16	$ 0.19

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2013 (in thousands)

Description			Initial cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period December 31, 2012 [1]					
Outlet Center Name	Location	Encum-brances	Land	Buildings, Improve-ments & Fixtures	Land	Buildings, Improve-ments & Fixtures	Land	Buildings, Improve-ments & Fixtures	Total	Accumulated Depreciation	Date of Construction or Acquisition	Life Used to Compute Depreciation in Income Statement
Atlantic City	Atlantic City, NJ	$ 52,626	$ —	$ 125,988	$ —	$ 2,669	$ —	$ 128,657	$ 128,657	$ 11,775	2011 [3]	[2]
Barstow	Barstow, CA	—	3,281	12,533	—	21,447	3,281	33,980	37,261	17,598	1995	[2]
Blowing Rock	Blowing Rock, NC	—	1,963	9,424	—	5,245	1,963	14,669	16,632	7,696	1997 [3]	[2]
Branson	Branson, MO	—	4,407	25,040	396	14,614	4,803	39,654	44,457	24,891	1994	[2]
Charleston	Charleston, SC	—	10,353	48,877	—	8,641	10,353	57,518	67,871	18,936	2006	[2]
Commerce II	Commerce, GA	—	1,262	14,046	707	30,378	1,969	44,424	46,393	26,098	1995	[2]
Deer Park	Deer Park, NY	148,522	82,413	173,044	—	—	82,413	173,044	255,457	2,426	2013 [3]	[2]
Foley	Foley, AL	—	4,400	82,410	693	40,845	5,093	123,255	128,348	38,757	2003 [3]	[2]
Foxwoods	Mashantucket, CT	—	—	9,371	—	—	—	9,371	9,371	—	[4]	[4]
Gonzales	Gonzales, LA	—	679	15,895	—	35,402	679	51,297	51,976	23,750	1992	[2]
Hershey	Hershey, PA	30,963	3,673	48,186	—	2,048	3,673	50,234	53,907	4,871	2011 [3]	[2]
Hilton Head I	Bluffton, SC	—	4,753	—	—	31,180	4,753	31,180	35,933	5,215	2011	[2]
Hilton Head II	Bluffton, SC	—	5,128	20,668	—	8,098	5,128	28,766	33,894	10,465	2003 [3]	[2]
Howell	Howell, MI	—	2,250	35,250	—	11,029	2,250	46,279	48,529	16,856	2002 [3]	[2]
Jeffersonville	Jeffersonville, OH	—	2,752	111,276	—	5,866	2,752	117,142	119,894	10,110	2011 [3]	[2]
Kittery I	Kittery, ME	—	1,242	2,961	229	2,311	1,471	5,272	6,743	4,373	1986	[2]
Kittery II	Kittery, ME	—	1,451	1,835	—	874	1,451	2,709	4,160	2,275	1989	[2]
Lancaster	Lancaster, PA	—	3,691	19,907	—	17,324	3,691	37,231	40,922	23,361	1994 [3]	[2]
Lincoln City	Lincoln City, OR	—	6,268	28,663	267	9,862	6,535	38,525	45,060	13,937	2003 [3]	[2]
Locust Grove	Locust Grove, GA	—	2,558	11,801	—	26,747	2,558	38,548	41,106	20,854	1994	[2]
Mebane	Mebane, NC	—	8,821	53,362	—	658	8,821	54,020	62,841	10,506	2010	[2]
Myrtle Beach Hwy 17	Myrtle Beach, SC	—	—	80,733	—	5,392	—	86,125	86,125	17,531	2009 [3]	[2]
Myrtle Beach Hwy 501	Myrtle Beach, SC	—	10,236	57,094	—	36,083	10,236	93,177	103,413	28,049	2003 [3]	[2]
Nags Head	Nags Head, NC	—	1,853	6,679	—	5,139	1,853	11,818	13,671	6,710	1997 [3]	[2]
Ocean City	Ocean City, MD	18,386	—	16,334	—	7,216	—	23,550	23,550	2,617	2011 [3]	[2]

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2013 (in thousands)

Description			Initial cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period December 31, 2012 (1)					
Outlet Center Name	Location	Encum-brances	Land	Buildings, Improve-ments & Fixtures	Land	Buildings, Improve-ments & Fixtures	Land	Buildings, Improve-ments & Fixtures	Total	Accumulated Depreciation	Date of Construction	Life Used to Compute Depreciation in Income Statement
Park City	Park City, UT	—	6,900	33,597	343	18,013	7,243	51,610	58,853	17,337	2003 (3)	(2)
Pittsburgh	Pittsburgh, PA	—	5,528	91,288	3	10,516	5,531	101,804	107,335	29,859	2008	(2)
Rehoboth Beach	Rehoboth Beach, DE	—	20,600	74,209	1,875	28,248	22,475	102,457	124,932	32,848	2003 (3)	(2)
Riverhead	Riverhead, NY	—	—	36,374	6,152	87,631	6,152	124,005	130,157	70,559	1993	(2)
San Marcos	San Marcos, TX	—	1,801	9,440	16	47,261	1,817	56,701	58,518	33,721	1993	(2)
Sanibel	Sanibel, FL	—	4,916	23,196	—	12,386	4,916	35,582	40,498	18,375	1998 (3)	(2)
Sevierville	Sevierville, TN	—	—	18,495	—	42,911	—	61,406	61,406	28,456	1997 (3)	(2)
Seymour	Seymour, IN	—	200	—	—	—	200	—	200	—	1994	(2)
Terrell	Terrell, TX	—	523	13,432	—	8,812	523	22,244	22,767	16,284	1994	(2)
Tilton	Tilton, NH	—	1,800	24,838	29	9,227	1,829	34,065	35,894	12,332	2003 (3)	(2)
Tuscola	Tuscola, IL	—	1,600	15,428	43	4,350	1,643	19,778	21,421	7,171	2003 (3)	(2)
West Branch	West Branch, MI	—	319	3,428	120	9,262	439	12,690	13,129	8,629	1991	(2)
Westbrook	Westbrook, CT	—	6,264	26,991	4,233	5,894	10,497	32,885	43,382	11,643	2003 (3)	(2)
Williamsburg	Williamsburg, IA	—	706	6,781	718	16,951	1,424	23,732	25,156	17,760	1991	(2)
		$250,497	$214,591	$1,388,874	$15,824	$ 630,530	$230,415	$2,019,404	$2,249,819	$ 654,631		

(1) Aggregate cost for federal income tax purposes is approximately $2.0 billion.
(2) We generally use estimated lives of 33 years for buildings and 15 years for land improvements. Tenant finishing allowances are depreciated over the initial lease term. Building, improvements & fixtures includes amounts included in construction in progress on the consolidated balance sheet.
(3) Represents year acquired.
(4) Under construction.

TANGER FACTORY OUTLET CENTERS, INC. and SUBSIDIARIES
TANGER PROPERTIES LIMITED PARTNERSHIP and SUBSIDIARIES
SCHEDULE III - (Continued)
REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Year Ended December 31, 2013
(in thousands)

The changes in total real estate for the three years ended December 31, 2013 are as follows:

	2013	2012	2011
Balance, beginning of year	$ 1,947,352	$ 1,916,045	$ 1,576,214
Acquisitions	255,107	—	304,572
Improvements	50,283	34,633	42,161
Dispositions and assets held for sale	(2,923)	(3,326)	(6,902)
Balance, end of year	$ 2,249,819	$ 1,947,352	$ 1,916,045

The changes in accumulated depreciation for the three years ended December 31, 2013 are as follows:

	2013	2012	2011
Balance, beginning of year	$ 582,859	$ 512,485	$ 453,145
Depreciation for the period	74,695	73,700	66,242
Dispositions and assets held for sale	(2,923)	(3,326)	(6,902)
Balance, end of year	$ 654,631	$ 582,859	$ 512,485

Exhibit 3.3

TANGER PROPERTIES LIMITED PARTNERSHIP

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

DATED AS OF AUGUST 30, 2013

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT OF
TANGER PROPERTIES LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT, dated as of August 30, 2013, and effective on the Transfer Date (as defined below), is entered into by and among Tanger GP Trust, a Maryland business trust, as the General Partner; Tanger LP Trust, a Maryland business trust, as a Limited Partner; and the other parties listed on Exhibit A hereto as Limited Partners as of the Transfer Date; together with any other Persons who become Partners in the Partnership as provided herein.

Article 1
DEFINED TERMS

Section 1.1 Definitions

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

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

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

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

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

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

(ii) decrease such Capital Account by the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

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

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year or other applicable period.

"Adjustment Date" means, with respect to any Capital Contribution, the close of business on the Business Day last preceding the date of the Capital Contribution; provided that if such Capital Contribution is being made by the General Partner in respect of the proceeds from the issuance of REIT Shares (or the issuance of other securities of the Initial General Partner exercisable for, convertible into or exchangeable for REIT Shares), then the Adjustment Date shall be as of the close of business on the Business Day last preceding the date of the issuance of such securities.

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

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

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

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

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

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

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

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

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

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

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

(e) all other cash received by the Partnership for such period or prior periods that was not included in determining Net Income or Net Loss for such period or prior periods or any other cash that would be legally available for distribution;

(ii) less the sum of:

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

(b) capital expenditures made by the Partnership during such period,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Depreciation" means, for each Partnership Year or other applicable period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

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

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

"Disregarded Entity" means, (i) any "qualified REIT subsidiary" (within the meaning of Code section 856(i)(2)), (ii) any entity treated as a disregarded entity for federal income tax purposes with respect to any Person, or (iii) any grantor trust.

"Effective Date" means June 4, 1993.

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

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

"Exchange Factor" initially means 1.0; provided that:

(a) in the event that the Initial General Partner

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

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

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

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

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

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

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

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

"First Transfer Date" means December 31, 1999, the effective date of the transfer of the entire Partnership Interest of the Initial General Partner to the Wholly-Owned Trusts, as provided in the Partnership Interest Transfer Agreement dated December 30, 1999 among the Initial General Partner, Tanger Family Limited Partnership, Tanger LP Trust and Tanger GP Trust.

“Flow-Through Entity” is defined in Section 11.6.E.

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

“Funding Notice” is defined in Section 4.5.B.

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

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

“General Partner Loan” is defined in Section 4.5.C.

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

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

(b) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partner using such reasonable method of valuation as it may adopt; provided, however, that for this purpose the net value of all of the Partnership assets, in the aggregate, shall be equal to the Deemed Value of the Partnership, regardless of the method of valuation adopted by the General Partner, immediately prior to the occurrence of any event described in clauses (i) through (iv) below:

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

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

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

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

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

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

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

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

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

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

"Incapacity" or "Incapacitated" means, (i) as to any individual Partner, death, total physical disability or entry by a court of competent jurisdiction adjudicating him incompetent to manage his Person or his estate; (ii) as to any corporation which is a Partner, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; (iii) as to any partnership which is a Partner, the dissolution and commencement of winding up of the partnership; (iv) as to any estate which is a Partner, the distribution by the fiduciary of the estate's entire interest in the Partnership; (v) as to any trustee of a trust which is a Partner, the termination of the trust (but not the substitution of a new trustee); or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect, (b) the Partner is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner, (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors, (d) the

Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (b) above, (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Partner or for all or any substantial part of the Partner's properties, (f) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within 120 days after the commencement thereof, (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver of liquidator has not been vacated or stayed within 90 days of such appointment, or (h) an appointment referred to in clause (g) is not vacated within 90 days after the expiration of any such stay.

"Incentive Award Plan" means The Amended and Restated Incentive Award Plan of the Initial General Partner.

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

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

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

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

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

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

Partnership Units of all Limited Partners (other than any Limited Partner 50% or more whose equity is owned, directly or indirectly, by the General Partner).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Pledge" is defined in Section 11.3.A.

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

"Preferred Limited Partnership Interest" means a Partnership Interest consisting of any class of Preferred Limited Partnership Units.

"Preferred Limited Partnership Unit" means any Preferred Unit issued to the Wholly-Owned LP Trust in exchange for the contribution of the net proceeds from any Preferred Offering pursuant to Section 4.7 of this Agreement.

"Preferred Distribution" means, with respect to any Preferred Unit of a particular class, an amount per Unit equal to the amount established for such class of Preferred Units.

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

"Preferred Offering" means any offering of any Preferred Shares by the Initial General Partner.

"Preferred Shares" means any Preferred Shares issued from time to time by the Initial General Partner.

"Preferred Units" means the interests in the Partnership received by the Wholly-Owned LP Trust in exchange for the additional capital contribution described in Section 4.7 of this Agreement from the issuance of Preferred Shares.

"Preferred Unit Redemption Amount" means, with respect to any Preferred Unit of any class, the sum of (a) the amount of any accumulated Preferred Distribution Shortfall with respect to such class of Preferred Unit, plus (b) the liquidation preference per Preferred Unit established for such class pursuant to Section 4.7; provided, however, that in the case of any Preferred Unit (or fraction thereof) redeemed as a result of a redemption of Preferred Shares pursuant to subparagraph

J(8) or (10) of Article II of the Articles of Incorporation of the Initial General Partner, the Redemption Amount shall be equal to the amount paid by the Initial General Partner on account of the redemption of the equivalent amount of such Preferred Shares (including fractions thereof) pursuant to such subparagraph J(8) or (10), as applicable.

"Properties" means such interests in real property and personal property including without limitation, fee interests, interests, in ground leases, interests in joint ventures, interests in mortgages, and Debt instruments as the Partnership may hold from time to time.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Transfer Date" August 30, 2013.

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

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

"Value" means, with respect to a REIT Share, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the Valuation Date. The market price for each such trading day shall be: (i) if the REIT Shares are listed or admitted to trading on any securities exchange or the NASDAQ-National Market System, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, (ii) if the REIT Shares are not listed or admitted to trading on any securities exchange or the NASDAQ-National Market System, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or (iii) if the REIT Shares are not listed or admitted to trading on any securities exchange or the NASDAQ-National Market System and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than 10 days prior to the date in question) for which prices have been so reported; provided that if there are no bid and asked prices reported during the 10 days prior to the date in question, the Value of the REIT Shares shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event the REIT Shares Amount includes rights that a holder of REIT Shares would be entitled to receive, then the Value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate; and provided further that, in connection with determining the Deemed Value of the Partnership for purposes of determining the number of additional Partnership Units issuable upon a Capital Contribution funded by an underwritten public offering of REIT Shares, then the Value of the REIT Shares shall be the public offering price per share of the REIT Shares sold.

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

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

Article 2
ORGANIZATIONAL MATTERS

Section 2.1 Organization

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

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

Section 2.2 Name

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

Section 2.3 Registered Office and Agent; Principal Office

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

Section 2.4 Power of Attorney

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

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

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

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

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

Section 2.5 Term

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

Article 3
PURPOSE

Section 3.1 Purpose and Business

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

Section 3.2 Powers

The Partnership is empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership; provided that the Partnership shall not take, or refrain from taking, any action which, in the judgment of the General Partner, in its sole and absolute discretion, (i) could adversely affect the ability of the Initial General Partner to continue to qualify as a REIT, (ii) could subject the Initial General Partner to any additional taxes under Section 857 or Section 4981 of the Code, or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the Initial General Partner or its securities, unless any such action (or inaction) under (i), (ii) or (iii) shall have been specifically consented to by the General Partner in writing.

Article 4
CAPITAL CONTRIBUTIONS

Section 4.1 Capital Contributions of the Partners

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

Section 4.2 Additional Capital Contributions Generally

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

Section 4.3 Loans by Partners

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

Section 4.4 Loans by Third Parties

The Partnership may incur Debt, or enter into other similar credit, guarantee, financing or refinancing arrangements for any purpose (including, without limitation, in connection with any further acquisition of Properties) upon such terms as the General Partner determines appropriate; provided that loans from the General Partner shall be subject to Section 4.5.C.

Section 4.5 Additional Funding and Capital Contributions

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

B. Additional General Partner Capital Contributions. Upon written notice (the "Funding Notice") to the Partners of the need for Additional Funds and the anticipated source(s) thereof, the General Partner may contribute Additional Funds to the capital of the Partnership in exchange for Partnership Units. Notwithstanding the foregoing in this Section 4.5B, to the extent the Initial General Partner raises all or any portion of the Additional Funds through the sale or other issuance of REIT Shares or other equity interests in the Initial General Partner (other than Preferred Shares issued pursuant to Section 4.7 hereof), (i) the Initial General Partner shall contribute such Additional Funds to the Wholly-Owned LP Trust (except as otherwise required by Section 4.5G) and the Wholly-Owned LP Trust shall in turn contribute the Additional Funds received by it to the Partnership in exchange for Class B Common Limited Partnership Interests and (ii) the Initial General Partner shall contribute the remainder of the Additional Funds to the General Partner and the General Partner shall contribute the Additional Funds received by it to the Partnership in exchange for Partnership Units as required by Section 4.5G. Each of the Wholly-Owned LP Trust and Tanger Family Limited Partnership hereby waives the right to receive the Funding Notice required pursuant to this Section 4.5B and the right to make a Pro Rata Contribution pursuant to Section 4.5E with respect to all prior and future contributions of Additional Funds derived from the sale or other issue of REIT Shares. No notice to the Partners will be given in respect of Capital Contributions under Section 4.6 or Section 4.7.

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

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

E. No Preemptive Rights of Partners. No Limited Partner shall have any preemptive rights with respect to a capital contribution under this Article IV unless specifically granted by the General Partner in its sole discretion.

F. Additional Units. Except as provided in Section 4.6 or Section 4.7, upon the acceptance of a Capital Contribution, the contributing Partner shall receive (i) if the Capital Contribution is in respect of the proceeds of the issuance of REIT Shares by the Initial General Partner, a number of Partnership Units equal to the Exchange Factor times the number of REIT Shares so issued, and (ii) if the Capital Contribution is from a Limited Partner (other than the Wholly Owned Limited Partner), then that number of Partnership Units that the General Partner has agreed to issue in exchange for such Capital Contribution.

Section 4.6 Unit Option Plan

The Partnership was expressly authorized hereby to adopt a Non-Qualified Unit Option Plan (the "Unit Option Plan") pursuant to which options to acquire Class A Common Limited Partnership Units were granted to employees of the Partnership. The Unit Option Plan was merged into the Initial General Partner's Stock Option Plan and the merged plan became the Amended and Restated Incentive Award Plan of the Initial General Partner. If options to acquire Units of Limited Partnership granted in connection with the Unit Option Plan become properly exercised:

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

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

Section 4.7 Preferred Contributions

A. Preferred Offering

(1) General. Upon the closing of any Preferred Offering, the Initial General Partner shall contribute the net proceeds from such Preferred Offering to the Wholly-Owned LP Trust and the Wholly-Owned LP Trust shall contribute the said net proceeds to the Partnership in exchange for that number of Preferred Units as equals the total number of Preferred Shares which were sold pursuant to the Preferred Offering. Such Preferred Units shall be of the same class and have such designation, rights and preferences that correspond to the Preferred Shares so offered as set forth in a designation form prepared by the Initial General Partner. The General Partner shall have the right to amend this Agreement, without the consent of any Limited Partner, as appropriate to reflect such designation, rights and preferences, including, without limitation, amending Article VI to reflect and take into account the economic rights of the Preferred Units.

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

Section 4.8 Unit Split

A. Unit Split as of the Transfer Date. On the Transfer Date, each Unit outstanding on the Transfer Date shall be split, such that each such Unit shall be converted into four (4) Units as set forth on Exhibit A hereto in order to achieve a 1:1 ratio between the aggregate outstanding Units and the REIT Shares.

B. Additional Unit Splits. The General Partner may from time to time, in its sole discretion and without the consent of any other Partner, cause the Partnership to split, subdivide, reverse split, combine or reclassify any or all of the Units in order to maintain a 1:1 correspondence of the Units and the REIT Shares. In connection therewith, the General Partner shall update Exhibit A hereto to reflect the outstanding Units following any such action.

Article 5
DISTRIBUTIONS

Section 5.1 Requirement, Characterization, and Priority of Distributions

(A) Requirement and Characterization of Distributions. The General Partner shall cause the Partnership to distribute quarterly all, or such portion as the General Partner may in its discretion determine, of the Available Cash generated by the Partnership during such quarter in the priority set forth in subparagraphs (B) and (C) of this Section 5.1. The General Partner shall take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the Initial General Partner's qualification as a REIT, (i) to cause the Partnership to distribute sufficient amounts to the Wholly-Owned Trusts, *pro rata*, which amounts shall be transferred to the Initial General Partner, to enable the Initial General Partner to pay shareholder dividends that will (a) satisfy the requirements for qualifying as a REIT under the Code and Regulations ("REIT Requirements"), and (b) avoid any federal income or excise tax liability of the Initial General Partner, and (ii) to distribute Available Cash to the Limited Partners so as to preclude any such distribution or portion thereof from being treated as part of a sale of property to the Partnership by a Limited Partner under Section 707 of the Code or the Regulations thereunder; provided that the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any distribution to a Limited Partner being so treated.

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

(1) First, to the extent that the amount of cash distributed to the Holders of any class of Preferred Units for any prior quarter was less than the Preferred Distribution for each of the outstanding Preferred Units of such class for such quarter, and has not been subsequently distributed pursuant to this subsection (B)(1) or pursuant to subsection (C) (a "Preferred Distribution Shortfall"), Available Cash shall be distributed to the Holders of such class of Preferred Units in an amount necessary to satisfy such Preferred Distribution Shortfall for the current and all prior Partnership Years, and if there are multiple classes of Preferred Units that have a Preferred Distribution Shortfall, then Available Cash will be distributed to the Holders of such classes as provided for in the relative priority of such classes in their designations set forth under Section 4.7;

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

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

(C) Notwithstanding subparagraph (B) of this Section 5.1, in any quarter during which the Partnership redeems any outstanding Preferred Units, Available Cash shall first be distributed to the Wholly-Owned LP Trust in an amount equal to the sum of the Redemption Amounts for each such Preferred Unit redeemed. In addition, the Partnership Record Date for any class of Preferred Unit may be a date that is earlier or later than the Partnership Record Date for other Preferred Units in order to match the dividend payment date for the corresponding Preferred Shares.

Section 5.2 Distributions in Kind

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

Section 5.3 Amounts Withheld

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

Section 5.4 Distributions Upon Liquidation

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

Article 6
ALLOCATIONS

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

Net Income and Net Loss of the Partnership shall be determined and allocated with respect to each Partnership Year as of the end of each such Partnership Year and at such times as the Gross Asset Value of any Company property is adjusted pursuant to the definition thereof. Subject to the other provisions of this Article 6, an allocation to a Partner of a share of Net Income or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss.

Section 6.2 Net Income

Except as otherwise provided in this Article 6, Net Income and Net Loss (and, to the extent determined appropriate by the General Partner, the items included in the computation thereof) shall be allocated to the Holders of Partnership Units and Preferred Units in such a manner that, as of the end of each period for which Net Income and Net Loss is allocated, to the maximum extent possible, the Adjusted Capital Account of each Holder shall be equal to the amount that would be distributed to such Holder if (i) all Partnership assets were sold for cash equal to their Gross Asset Values, (ii) all Partnership liabilities were satisfied in cash according to their respective terms (limited, in the case of each nonrecourse liability, to the Gross Asset Values of the assets securing such nonrecourse liability), (iii) any Holders' obligations to make contributions to the Partnership upon a hypothetical sale and dissolution of the Partnership were satisfied in full, and (iv) the net proceeds thereof (after satisfaction of all such liabilities and obligations) were distributed in full pursuant to Section 5.1 hereof.

Section 6.3 Additional Allocation Provisions

Notwithstanding the foregoing provisions of this Article 6:

(A) Regulatory Allocations.

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

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

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

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

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

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

(vii) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of his interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the Partnership in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partners to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

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

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

Section 6.4 Tax Allocations

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

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

Article 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 Management

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

(1) the making of any expenditures, the lending or borrowing of money (including, without limitation, making prepayments on loans and borrowing money to permit the Partnership to make distributions to its Partners in such amounts as will permit the Initial General Partner (so long as the Initial General Partner has determined to qualify as a REIT) to avoid the

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

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

(3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any assets of the Partnership or the merger or other combination of the Partnership with or into another entity; provided that in the event of any sale, exchange, disposition or other transfer of any property of the Partnership, the Partnership shall no later than 15 days after the end of the calendar quarter in which such sale, exchange, disposition or other transfer becomes a taxable event to Partners, to the extent of the net cash proceeds of such sale, exchange, disposition or other transfer, effect a distribution of cash, less its then regular quarterly distribution, in an amount such that the *pro rata* share thereof received by each Partner shall equal or exceed the total liability of such Partner for federal, state and local income and franchise taxes resulting from such sale, exchange, disposition or other transfer and from such distribution and any such amount distributed to any such Partner shall be treated as an advance of any subsequent distributions made pursuant to Article V to such Partner, such that any amount to be distributed to such Partner pursuant to Article V shall be reduced by the aggregate amount of any such prior distributions made pursuant to this clause (3); provided, further, that any Partner may elect not to receive all or any part of such additional distribution and in such event, although such Partner's Capital Account will not be reduced to the extent that no distribution is received by such Partner, the Partner's Percentage Interest and the number of Partnership Units considered owned by such Partner shall not be adjusted, it being the intent that the sole effect of the election not to receive a distribution will be to increase the amount of cash or other property to be received by such Partner upon a dissolution of the Partnership;

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

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

(6) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement; the acceptance of Capital Contributions and the issuance of

Partnership Units in accordance with this Agreement, admission of Partners and the other administration of the Partnership as provided for in this Agreement;

(7) the selection and dismissal of employees of the Partnership or the General Partner (including, without limitation, employees having titles such as "president," "vice president," "secretary" and "treasurer"), and agents, outside attorneys, accountants, consultants and contractors of the General Partner or the Partnership and the determination of their compensation and other terms of employment or hiring and the granting to any of such employees of Partnership options to acquire Units under the Unit Option Plan;

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

(9) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of property to any Subsidiary and any other Person in which it has an equity investment from time to time); provided that as long as the Initial General Partner has determined to continue to qualify as a REIT, the General Partner may not engage in any such formation, acquisition or contribution that would cause the Initial General Partner to fail to qualify as a REIT;

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

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

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

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

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

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

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

Section 7.2 Certificate of Limited Partnership

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

Section 7.3 Restrictions on General Partner's Authority

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) to reflect the admission, substitution, termination, or withdrawal of Partners or the issuance of Partnership Units or Preferred Units in accordance with this Agreement along with any amendments related thereto; or to enter into a merger, consolidation or reorganization of the Partnership that does not require Consent of the Holders of Class A Limited Partnership Units under Section 7.3.E; provided that any such amendment does not eliminate, restrict or modify the exchange rights of the Class A Limited Partners under Section 8.6 for REIT Shares without the Consent of the Class A Limited Partners, unless such merger, consolidation or reorganization satisfies the conditions set forth in clause (i) or (ii) of Section 7.3.E(2)(a);

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

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

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

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

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

D. Notwithstanding Section 7.3.B and 7.3.C hereof, this Agreement shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner adversely affected if such amendment or action would (i) convert a Limited Partner's interest in the Partnership into a general partner's interest (except as the result of the General Partner acquiring such interest), (ii) modify the limited liability of a Limited Partner, (iii) alter rights of the Partner to receive distributions pursuant to Article 5 or Section 7.1.A(3), or the allocations specified in Article 6 (except as permitted pursuant to Section 4.5, 4.6, 4.7 and Section 7.3.C(2) or 7.3.C(3) hereof), (iv) alter or modify the rights to an Exchange or REIT Shares Amount as set forth in Section 8.6, and related definitions hereof or (v) amend this Section 7.3.D. Further, no amendment may alter the restrictions on the General Partner's authority set forth elsewhere in this Section 7.3 without the Consent specified in such section.

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

(1) Dissolve the Partnership.

(2) Agree to or consummate any merger, consolidation, reorganization or other business combination to which the Partnership is a party; other than a merger, consolidation, reorganization or other business combination (a) which involves a merger, consolidation, reorganization or other business combination of the Initial General Partner in which the Holders of Class A Limited Partnership Units either (i) receive consideration that is cash per Class A Limited Partnership Unit equal to the cash amount received by a holder of one REIT Share in such transaction

times the Exchange Factor, or (ii) continue as Holders of Class A Limited Partnership Units and continue to have the exchange rights under Section 8.6 for REIT Shares, or (b) that is for the primary purpose of changing the state of formation of the Partnership and where this Agreement is amended only to reflect such different jurisdiction and any changes due to the law of such jurisdiction.

(3) Sell, dispose, convey or otherwise transfer all or substantially all of the assets of the Partnership, in one or a series of transactions (other than a transaction where the Holders of Class A Limited Partnership Units receive consideration that is cash per Class A Limited Partnership Unit equal to the cash amount received by a holder of one REIT Share in such transaction times the Exchange Factor).

Section 7.4 Reimbursement of the General Partner

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

B. Subject to Section 15.11, the General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses it incurs relating to the ownership of interests in and operation of, or for the benefit of, the Partnership. The Limited Partners acknowledge that the General Partner's sole business is the ownership of interests in and operation of the Partnership and that such expenses are incurred for the benefit of the Partnership; provided that, the General Partner shall not be reimbursed for expenses it incurs relating to the organization of the Partnership and the General Partner and the initial public offering of REIT Shares by the Initial General Partner or subsequent offerings of securities of the Initial General Partner. Such reimbursements shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 7.7 hereof.

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

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

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

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

Section 7.6 Contracts with Affiliates

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

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

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

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

Section 7.7 Indemnification

A. The Partnership shall indemnify an Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership as set forth in this Agreement in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) the Indemnitee actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7.A. The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or any entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 7.7.A. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership.

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

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

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

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

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

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

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

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

Section 7.8 Liability of the General Partner

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

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

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

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

Section 7.9 <u>Other Matters Concerning the General Partner</u>

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

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

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

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

Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10 Title to Partnership Assets

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

Section 7.11 Reliance by Third Parties

Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

Article 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 Limitation of Liability

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

Section 8.2 Management of Business

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

Section 8.3 Outside Activities of Limited Partners

Subject to any agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Initial General Partner, the Partnership or a Subsidiary, any Limited Partner and any officer, director, employee, agent, trustee, Affiliate or shareholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership. Neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person, other than the General Partner, and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Limited Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.4 Return of Capital

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

Section 8.5 Rights of Limited Partners Relating to the Partnership

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

(1) to obtain a copy of the most recent annual and quarterly reports filed with the Securities and Exchange Commission by the Initial General Partner pursuant to the Securities Exchange Act of 1934, as amended, and each communication sent to the shareholders of the Initial General Partner;

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

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

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

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

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

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

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

Section 8.6 Exchange Rights

A. Each Limited Partner shall have the right to require the Initial General Partner to acquire all or a portion of any Class A Common Limited Partnership Units held by such Limited Partner (such Class A Common Limited Partnership Units being hereafter "Tendered Units") in exchange for REIT Shares (an "Exchange"). By execution of this Agreement, the Initial General Partner expressly agrees to reserve for future issue, and to issue in exchange for Tendered Units, a sufficient number of its authorized but unissued REIT Shares to acquire Tendered Units pursuant to the provisions of this Section 8.6. Such Exchange shall be exercised pursuant to a Notice of

Exchange delivered to the Initial General Partner by the Limited Partner who is exercising the relevant right (the "Tendering Partner"). Such Limited Partner shall have no right, with respect to any Class A Common Limited Partnership Units so transferred, to receive any distributions paid after the Specified Exchange Date.

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

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

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

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

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

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

Article 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 Records and Accounting

The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, punch cards, magnetic tape, photographs, micrographics or any other information storage device; provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

Section 9.2 Fiscal Year

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

Section 9.3 Reports

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

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

Article 10
TAX MATTERS

Section 10.1 Preparation of Tax Returns

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within 180 days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes.

Section 10.2 Tax Elections

Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code, including the election under Section 754 of the Code. The General Partner shall have the right to seek to revoke any such election (including without limitation, any election under Section 754 of the Code) upon the General Partner's determination in its sole and absolute discretion that such revocation is the best interests of the Partners.

Section 10.3 Tax Matters Partner

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

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

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

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

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

(4) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

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

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

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

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

Section 10.4 Organizational Expenses

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

Section 10.5 Withholding

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

Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this Section 10.5. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this Section 10.5 when due, the General Partner may, in its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Limited Partner (including, without limitation, the right to receive distributions). Any amounts payable by a Limited Partner hereunder shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal, plus four (4) percentage points (but not higher than the maximum lawful rate) from the date such amount is due (i.e., 15 days after demand) until such amount is paid in full. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

Article 11
TRANSFERS AND WITHDRAWALS

Section 11.1 Transfer

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

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

Section 11.2 Transfer of General Partner's Partnership Interest

The General Partner shall not withdraw from the Partnership and shall not transfer all or any portion of its interest in the Partnership (whether by sale, statutory merger or consolidation, liquidation or otherwise) without the consent of all of the Holders of Class A Common Limited Partnership Units, which may be withheld by each Holder of Class A Common Limited Partnership

Units in its sole and absolute discretion, and only upon the admission of a successor General Partner pursuant to Section 12.1. Upon any transfer of a Partnership Interest in accordance with the provisions of this Section 11.2, the transferee shall become a Substitute General Partner for all purposes herein, and shall be vested with the powers and rights of the transferor General Partner, and shall be liable for all obligations and responsible for all duties of the General Partner, once such transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Interest so acquired. It is a condition to any transfer otherwise permitted hereunder that the transferee assumes, by operation of law or express agreement, all of the obligations of the transferor General Partner under this Agreement with respect to such transferred Partnership interest, and no such transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor General Partner are assumed by a successor corporation by operation of law) shall relieve the transferor General Partner of its obligations under this Agreement without the Consent of the Class A Limited Partners, in their reasonable discretion. In the event the General Partner withdraws from the Partnership, in violation of this Agreement or otherwise, or otherwise dissolves or terminates, or upon the Bankruptcy of the General Partner, a Majority in Interest of the Class A Limited Partners may elect to continue the Partnership business by selecting a Substitute General Partner in accordance with the Act.

Section 11.3 Limited Partners' Rights to Transfer

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

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

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

provided, however, a Limited Partner or Assignee may transfer all or any portion of its Partnership Interest as described clauses (i), (ii) and (iii) of the first sentence of Section 11.3.A without complying with the conditions of subparagraphs (a) and (b).

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

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

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

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

Section 11.4 Substituted Limited Partners

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

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

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

Section 11.5 Assignees

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

Section 11.6 General Provisions

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

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

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

D. If any Partnership Interest is transferred during any quarterly segment of the Partnership Year in compliance with the provisions of this Article 11 or transferred pursuant to Section 8.6, Net Income, Net Losses, each item thereof and all other items attributable to such interest for such Partnership Year shall be divided and allocated between the transferor Partner and the transferee Partner by taking into account their varying interests during the Partnership Year in accordance with Section 706 of the Code, as determined by the General Partner. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such transfer or redemption shall be made to the transferor Partner, and all distributions of Available Cash thereafter shall be made to the transferee Partner.

E. In addition to any other restrictions on transfer herein contained, in no event may any transfer or assignment of a Partnership Interest by any Partner (including by way of an Exchange) be made (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) in the event such transfer would cause the Initial General Partner to cease to comply with the REIT Requirements, if the Initial General Partner at such time has determined to continue meet the REIT Requirements; (v) if such transfer would cause a termination of the Partnership for federal or state income tax purposes (except as a result of the Exchange of all Partnership Units held by all Limited Partners); (vi) if such transfer would, in the opinion of counsel to the Partnership, cause the Partnership to cease to be classified as a partnership for Federal income tax purposes (except as a result of the Exchange of all Partnership Units held by all Limited Partners); (vii) if such transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code); (viii) if such transfer would, in the opinion of counsel to the Partnership, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.2-101; (ix) if such transfer requires the registration of such Partnership Interest pursuant to any applicable federal or state securities laws; (x) if such transfer causes the Partnership to become a "Publicly Traded Partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code or if such transfer would cause the Partnership to have more than 100 Partners (including, as Partners, those persons indirectly owning an interest in the Partnership through an entity treated as a partnership, Disregarded Entity or an S corporation) (each such entity, a "Flow-Through Entity", but only if substantially all of the value of such Person's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's interest (direct or indirect) in the Partnership); or (xi) if such transfer subjects the Partnership to be regulated under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or the Employee Retirement Income Security Act of 1974, each as amended.

Article 12
ADMISSION OF PARTNERS

Section 12.1 Admission of Successor General Partner

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

Section 12.2 Admission of Additional Limited Partners

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

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

Section 12.3 Amendment of Agreement and Certificate of Limited Partnership

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

Section 12.4 Limit on Number of Partners

No Person shall be admitted to the Partnership as an Additional Partner if the effect of such admission would be to cause the Partnership to have more than 100 Partners, including as Partners for this purpose those Persons indirectly owning an interest in the Partnership through a Flow-Through Entity if substantially all of the value of such Person's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's interest (direct or indirect) in the Partnership.

Article 13
DISSOLUTION AND LIQUIDATION

Section 13.1 Dissolution

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

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

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

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

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

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

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

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

Section 13.2 Winding Up

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

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

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

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

(4) The balance, if any, to the Holders in accordance with Section 5.1.B.

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

B. Notwithstanding the provisions of Section 13.2.A hereof which require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

Section 13.3 Compliance with Timing Requirements of Regulations

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

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

(B) withheld to provide a reasonable reserve for partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership; provided that such withheld amounts shall be distributed to the General Partner and Limited Partners as soon as practicable.

Section 13.4 Deemed Distribution and Recontribution

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

Section 13.5 Rights of Limited Partners

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

Section 13.6 Notice of Dissolution

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

Section 13.7 Cancellation of Certificate of Limited Partnership

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

Section 13.8 Reasonable Time for Winding-Up

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

Section 13.9 Waiver of Partition

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

Article 14
PROCEDURES FOR AMENDMENT OF PARTNERSHIP AGREEMENT; CONSENTS

Section 14.1 Amendments

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

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

Section 14.2 Action by the Partners

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

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

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

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

Article 15
GENERAL PROVISIONS

Section 15.1 Addresses and Notice

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

Section 15.2 Titles and Captions

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

Section 15.3 Pronouns and Plurals

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

Section 15.4 Further Action

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

Section 15.5 Binding Effect

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

Section 15.6 Creditors

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

Section 15.7 Waiver

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

Section 15.8 Counterparts

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

Section 15.9 Applicable Law

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

Section 15.10 Invalidity of Provisions

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

Section 15.11 Limitation to Preserve REIT Status

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

(i) an amount equal to the excess, if any, of (a) 4.17% of the Initial General Partner's total gross income (but not including the amount of any GP Payments) for the Partnership Year which is described in subsections (A) through (H) of Section 856(c)(2) of the Code over (b) the amount of gross income (within the meaning of Section 856(c)(2) of the Code) derived by the Initial General Partner from sources other than those described in subsections (A) through (H) of Section 856(c)(2) of the Code (but not including the amount of any GP Payments); or

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

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

[*Signature pages follow*]

IN WITNESS WHEREOF, the undersigned has caused this Amended and Restated Limited Partnership Agreement of Tanger Properties Limited Partnership to be duly executed as of the date first written above.

GENERAL PARTNER:

TANGER GP TRUST

By: /s/ Steven B. Tanger
Name: Steven B. Tanger
Title: President and Chief Executive Officer

IN WITNESS WHEREOF, the undersigned has caused this Amended and Restated Limited Partnership Agreement of Tanger Properties Limited Partnership to be duly executed as of the date first written above.

LIMITED PARTNER:

TANGER LP TRUST

By: /s/ Steven B. Tanger
Name: Steven B. Tanger
Title: President and Chief Executive Officer

EXHIBIT B

NOTICE OF EXCHANGE

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

Dated: __________________

____
Name:

Address:

Issue REIT Shares to:

____
(Name)

____
(Social Security or other identifying number)

Deliver to:

Broker Name and DTC #:__________________________________
Account Number #:_______________________________________
For the benefit of:_______________________________________
Trustee Name:____
Broker Contact Name & Phone #: __________________________ ____________________

COUNTY OF ___________________

STATE OF _____________________

I certify that the following persons(s) personally appeared before me this ______ day of __________________, 20___, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated, ________________________________.
(Name of Principal)

____

Name of Notary Public
(Official Seal) My Commission Expires: ______________

Exhibit 10.30

OCTOBER 2013 MODIFICATION OF LOAN DOCUMENTS

Dated as of October 24, 2013

This **OCTOBER 2013 MODIFICATION OF LOAN DOCUMENTS** (this "Agreement" or this "Modification") by and among **TANGER PROPERTIES LIMITED PARTNERSHIP,** a North Carolina limited partnership, in its capacity as the borrower under the Credit Agreement referenced below (in such capacity, the "Borrower"), the "Guarantors" identified on the signature pages attached hereto, **BANK OF AMERICA, N.A.**, a national banking association, in its capacity as administrative agent under the Credit Agreement (the "Administrative Agent") and the "Lenders" party to the Credit Agreement and identified on the signature pages hereto, is with respect to that certain Amended and Restated Credit Agreement dated as of November 10, 2011 among the Borrower, Guarantors, Administrative Agent, Lenders, **BANK OF AMERICA MERRILL LYNCH**, **WELLS FARGO SECURITIES, LLC**, and **US BANK NATIONAL ASSOCIATION**, as Joint Bookrunners and Joint Lead Arrangers, **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Syndication Agent, **US BANK NATIONAL ASSOCIATION**, as Syndication Agent, **SUNTRUST BANK**, as Documentation Agent and **BRANCH BANKING AND TRUST COMPANY**, as Documentation Agent ("Original Credit Agreement"), as modified by that certain letter agreement dated as of December 11, 2012 (the "Modification Letter"), as modified by that certain May 2013 Modification of Loan Documents dated as of May 8, 2013 ("May 2013 Modification"; collectively, with the Original Credit Agreement and Modification Letter, as the same may have been or may be amended, restated, supplemented or otherwise modified, the "Credit Agreement") and is an amendment to and modification of the terms, conditions and provisions of the Credit Agreement and the other Loan Documents referenced therein, as set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Credit Agreement, as amended hereby.

WHEREAS, Borrower and Guarantors have requested that the Administrative Agent and the Lenders modify certain terms and provisions of the Loan Documents as set forth herein, including, for the purpose of, among other things, extending the maturity date of the Loans and changing the pricing applicable thereto. The Administrative Agent and Lenders are willing to make such modifications subject to the satisfaction of certain conditions precedent as set forth herein and subject to Borrower and Guarantors making the representations and assurances hereinafter set forth and agreeing to the covenants, terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. Amendments to Credit Agreement. The Credit Agreement is hereby modified as follows:

(a) The definition of the terms "Applicable Rate," "Extended Maturity Date," "Initial Maturity Date," "Interest Period," and "Negative Pledge" set forth in Section 1.01 of the Credit Agreement are hereby deleted in their entirety and replaced with the following (as applicable):

""Applicable Rate" means, from time to time, the following percentages per annum, based upon the Debt Rating as set forth below:

Pricing Level	Borrower Debt Rating	Eurodollar Applicable Spread	Base Rate Applicable Spread	Facility Fee	All-in Drawn Eurodollar Spread
1	A-/A3	0.925%	0.000%	0.125%	1.050%
2	**BBB+/Baa1**	**1.000%**	**0.100%**	**0.150%**	**1.150%**
3	BBB/Baa2	1.100%	0.250%	0.200%	1.300%
4	BBB-/Baa3	1.300%	0.500%	0.250%	1.550%
5	<BBB-/.Baa3	1.700%	0.850%	0.300%	2.000%

"Debt Rating" means, as of any date of determination, the rating as determined by either S&P or Moody's (collectively, the "Debt Ratings") of the Borrower's non-credit-enhanced, senior unsecured long-term debt; provided that (a) if the respective Debt Ratings issued by the foregoing rating agencies differ by one level, then the Pricing Level for the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 1 being the highest and the Debt Rating for Pricing Level 5 being the lowest); (b) if there is a split in Debt Ratings of more than one level, then the Pricing Level that is one level lower than the Pricing Level of the higher Debt Rating shall apply; (c) if the Borrower has only one Debt Rating, the Pricing Level that is attributable to such Debt Rating shall apply; and (d) if the Borrower does not have any Debt Rating, Pricing Level 5 shall apply.

As of October 24, 2013, the Applicable Rate shall be based upon Pricing Level 2. Any change in the Borrower's Credit Rating which would cause it to move to a different Level shall be effective as of the first day of the first calendar month immediately following receipt by the Administrative Agent of written notice delivered by the Borrower that the Borrower's Credit Rating has changed; provided, however, if the Borrower has not delivered the notice required by such Section but the Administrative Agent becomes aware that the Borrower's Credit Rating has changed, then the Administrative Agent may, in its sole discretion, adjust the Level effective as of the first day of the first calendar month following the date the Administrative Agent becomes aware that the Borrower's Credit Rating has changed."

""Extended Maturity Date" means October 24, 2018."

""Initial Maturity Date" means October 24, 2017."

""Interest Period" means (a) as to each Eurodollar Rate Loan other than a Eurodollar Margin Bid Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one (1) week, one (1), two (2), three (3), six (6) or twelve (12) months thereafter, as selected by the Borrower in its loan notice (and subject to the terms set forth below), (b) as to each Eurodollar Margin Bid Loan, the period commencing on the date such Eurodollar Margin Bid Loan is disbursed as a Eurodollar Margin Bid Loan and ending on the date one (1), two (2), three (3) or six (6) months thereafter, as selected by the Borrower in its Bid Request (and subject to the terms set forth below) and (c) as to each Absolute Rate Loan, a period of not less than 14 days and not more than 180 days as selected by the Borrower in its Bid Request; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) no Interest Period shall extend beyond the Maturity Date; and

(d) a period of twelve (12) months shall be deemed, as used in connection with the term "Interest Period", to be equal to 364 days and any period in excess of six (6) months shall only be available to the Borrower to the extent available from and consented to by each Lender."

""Negative Pledge" shall mean with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document) which (a) prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person or (b) requires the grant of any security for such obligation if security is given for some other obligation; provided, however, that an agreement that conditions a Person's ability to borrow money or continue to borrow money upon the maintenance of one or more specified ratios and that does not generally prohibit the encumbrance of such Person's assets, or the encumbrance of specific assets, shall not constitute a Negative Pledge."

(b) The references to ".0725" contained in clause (b)(ii) of the definitions of the terms "Adjusted Unencumbered Asset Value" and "Total Adjusted Asset Value" contained in Section 1.01 of the Credit Agreement are hereby deleted and replaced with references to "0.0675."

(c) The text of Section 2.02(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurodollar Rate Committed Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans denominated in Dollars or of any conversion of Eurodollar Rate Loans denominated in Dollars to Base Rate Committed Loans, (ii) four Business Days prior to the requested date of any Borrowing or continuation of Eurodollar Rate Loans denominated in Alternative Currencies, and (iii) on the requested date of any Borrowing of Base Rate Committed Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in the Dollar Equivalent of a principal amount of at least $1,000,000. Except as provided in Sections 2.04(c) and 2.05(c), each Borrowing of or conversion to Base Rate Committed Loans shall be in a principal amount of at least $500,000. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Eurodollar Rate Committed Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto and (vi) the currency of the Committed Loans to be borrowed. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be continued as the same Type of Committed Loan, each having the same Interest Period as the Committed Loans that are the subject of such continuation (e.g., a one-month Eurodollar Rate Committed Loan shall continue as a one-month Eurodollar Committed Loan); provided, however, that in the case of a failure to timely request a continuation of Committed Loans denominated in an Alternative Currency, such Loans shall be continued as Eurodollar Rate Loans in their original currency with an Interest Period of one month. Any such automatic conversion shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Committed Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Committed Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No Committed Loan may be converted into or continued as a Committed Loan denominated in a different currency, but instead must be prepaid in the original currency of such Committed Loan and reborrowed in the other currency."

(d) The text of Section 2.15(b)(iii) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(iii) the Borrower shall, at the Initial Maturity Date, deliver to the Administrative Agent (for the pro rata benefit of the Lenders based on their respective Commitments) an extension fee equal to fifteen basis points (0.15%) multiplied by the then-existing Aggregate Commitments (whether funded or unfunded)."

(e) For purposes of clarification, Section 6.01(c) of the Credit Agreement, as modified by the Modification Letter, now reads as follows:

"(c) no later than January 31 of each year, pro forma projected financial statements for the Parent and its Subsidiaries made in good faith, including anticipated sources and uses of cash for the four (4) calendar quarters constituting such calendar year, and no later than August 31 of each year preliminary pro forma projected sources and uses of cash for such parties made in good faith for the succeeding fiscal year."

(f) The text of Section 7.09 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"**Burdensome Agreements**. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Wholly-Owned Subsidiary to make Restricted Payments to the Borrower or any Guarantor or to otherwise transfer property to the Borrower or any Guarantor or (ii) of any Wholly-Owned Subsidiary to Guarantee the Indebtedness of the Borrower, or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person; provided, that this Section 7.09 shall not be deemed to restrict the ability of the Borrower or any Exempt Subsidiary from entering into Contractual Obligations of any type related to secured financing transactions."

(g) The text of Section 7.11(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(a) Fair Market Minimum Net Worth. Borrower shall maintain a Fair Market Minimum Net Worth equal to or in excess of $1,200,000,000."

(h) The text of Section 7.13 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"**Negative Pledges**. Enter into, assume or become subject to any Negative Pledge, other than Negative Pledges entered into in connection with Indebtedness that is otherwise permitted pursuant to Section 7.11 hereof, relating only to the properties or assets constructed or acquired in connection with such Indebtedness. Notwithstanding anything contained herein, this provision shall not be deemed to prohibit or restrict the Borrower's ability to enter into Indebtedness that limits the Borrower's ability to enter into Negative Pledges in a manner identical to, or no more restrictive than, this Section 7.13."

2. General Loan Document Modifications. In addition to the modifications set forth in Section 1 above, each of the Loan Documents is hereby amended (or, as applicable, further amended) in the following respects:

(a) each reference contained in the Loan Documents to any other Loan Documents or the Loan Documents generally, is hereby deemed to be a reference to such document as amended, restated, extended, supplemented or modified by (as applicable) this Modification; and

(b) this Modification shall be deemed to be included as a "Loan Document" in any and all references to the "Loan Documents" contained in any of the Loan Documents existing as of the date hereof or which are executed following the date hereof.

3 . **Effect; Limitation of Modifications; Reaffirmation.** The modifications set forth herein relate only to those provisions of the Credit Agreement specifically designated thereby and shall not be construed to extend to any other covenants, terms, conditions or provisions of the Credit Agreement or any of the other Loan Documents. All other terms, conditions and provisions of the Credit Agreement and each of the other Loan Documents shall remain in full force and effect. In furtherance of the foregoing, except as specifically modified in connection herewith, each of the terms and conditions of the Credit Agreement and each other Loan Document are hereby ratified and confirmed by each of the undersigned and each such party hereby acknowledges and agrees that such documents shall remain in force and effect. Nothing contained herein shall in any way prejudice, impair or affect the rights and remedies of the Lenders under the Credit Agreement and each of the Loan Documents or the rights of the Borrower thereunder. The amendments and modifications contained herein shall be deemed to have prospective application only, unless otherwise specifically stated herein. If any provision of any of this Modification or of any Loan Document, as amended hereby, is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

4. **Guaranties and Acknowledgements.** Each Guarantor hereby consents to the modifications as set forth herein. Each Guarantor, by signature below as such, for a valuable consideration, the receipt and adequacy of which are hereby acknowledged, hereby consents to and joins in this Modification and hereby declares to and agrees with the Lenders and Administrative Agent that (a) its Guaranty, as amended by this Modification, is and shall continue in full force and effect for the benefit of the Lenders and Administrative Agent, (b) there are no offsets, claims, counterclaims, cross-claims or defenses of such Guarantor with respect to its Guaranty, (c) that its Guaranty is not released, diminished or impaired in any way by this Modification or the transactions contemplated hereby, and (d) that its Guaranty, as modified hereby, is hereby ratified and confirmed in all respects.

5 . **Conditions Precedent.** The effectiveness of this Modification is subject to receipt by the Administrative Agent of each of the following, each in form and substance satisfactory to the Administrative Agent:

(a) a counterpart of this Modification duly executed by the Borrower, each Guarantor, the Administrative Agent and each of the Lenders; and

(b) payment by Borrower to the Administrative Agent (for the benefit of the Lenders) of an extension/modification fee equal to $750,000.00 (15 basis points multiplied by the Aggregate Commitments);

(c) payment by Borrower of (i) all other amounts payable by Borrower under or in connection with that certain fee letter among Borrower, Administrative Agent and Merrill Lynch, Pierce, Fenner & Smith Incorporated and dated as of September 26, 2013; (ii) all outstanding fees and expenses of the Administrative Agent and the Administrative Agent's counsel incurred in connection with the preparation, review or negotiation of this Modification and all other amendments, restatements, supplements or negotiations related to the Loan Documents or the Loan and (ii) all other fees and expenses relating to the preparation, execution and delivery of this Modification or otherwise related to the Credit Agreement or the Loan Documents which are due and payable on the date hereof pursuant to the terms of any Loan Document (including, without limitation, any costs incurred for appraisals, insurance, tax services, engineering, inspections, searches and recording and attorneys' fees incurred in connection with the above);

(d) a current Certificate of Existence/Good Standing for the Borrower and each Guarantor, issued by the jurisdiction in which such entity is organized;

(e) certificate of "no change" from the Borrower and each Guarantor, certifying that each such party's organizational documents have not been amended since November 10, 2011, or have not been amended except to the extent of such amendments as have been attached to such certificates as have been provided to Administrative Agent in writing;

(f) original counterparts of resolutions and an IRS form w-9 from the Borrower and each Guarantor, authorizing the execution and delivery of this Modification;

(g) an opinion of oustside counsel for the Borrower and Guarantors as to the due authorization, effectiveness and enforceability of this Modification and the Credit Agreement as modified by this Modification with respect to such parties; and

(h) such other documents, instruments and agreements as the Administrative Agent may reasonably request.

6. GOVERNING LAW. THIS MODIFICATION SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NORTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

7. Successors and Assigns. This Modification shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns (as and to the extent provided and permitted in the Credit Agreement). No party shall transfer or assign any of their respective rights or obligations hereunder without the prior written consent of the Administrative Agent.

8. Execution of Future Documents. The Borrower and/or Guarantors will execute such additional documents as are reasonably requested by the Administrative Agent to reflect the terms and conditions of this Modification, and will cause to be delivered such additional certificates, legal opinions and other documents as are reasonably required by the Administrative Agent.

9. Release. In consideration of the modifications set forth herein, Borrower and each Guarantor each hereby releases and holds harmless the Administrative Agent, the Lenders and each of their respective officers, employees and agents, from and against any claim, action, suit, demand, cost, expense or liability of any kind relating to the making of the Loans, the administration of it or any business communications and dealings between Borrower and/or Guarantors, on one hand, and the the Administrative Agent and/or the Lenders, on the other, concerning the Loan, the Loan Documents or the transactions documented, governed or evidenced thereby or contemplated therein.

10. Defaults Under the Loan Documents. The failure of Borrower and/or any Guarantor to perform any of their respective obligations under this Modification or any of the other Loan Documents (following any applicable notice and cure periods) or the falsity of any representation or warranty made herein or the failure of Borrower and/or any Guarantor to advise Administrative Agent that a representation or warranty made herein is no longer true shall, at the option of the Administrative Agent and/or Lenders (as applicable under the Credit Agreement) after expiration of any applicable cure period, constitute an Event of Default under the Credit Agreement.

11. Counterparts. This Modification may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Modification to produce or account for more than one such counterpart for each of the parties hereto. Delivery by facsimile by any of the parties hereto of an executed counterpart of this Modification shall be as effective as an original executed counterpart hereof and shall be deemed a representation that an original executed counterpart hereof will be delivered. Each counterpart hereof shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

12. No Novation. Borrower and Guarantors intend for the amendments to the Loan Documents to evidence an amendment to the terms of the existing indebtedness of Borrower and Guarantors to the Administrative Agent and Lenders and do not intend for such amendments to constitute a novation in any manner whatsoever.

13. Fees and Expenses. The Borrower hereby agrees that all fees, expenses and costs incurred by the Administrative Agent or its counsel in reviewing, negotiating, preparing and granting the amendment set forth herein shall, to the extent not paid or invoiced as of the date hereof, be paid by it upon demand as fees, costs and expenses incurred in connection with the Credit Agreement.

14. Amendments; Use of Terms. This Modification may not be supplemented, changed, waived, discharged, terminated, modified or amended except in written form executed by all parties hereto. Wherever in this Modification any word or combination of words (including defined terms) connotes number or gender, such word or combination of words shall be deemed of such number (singular or plural) and such gender (masculine, neuter or feminine) as the context and circumstances may require. This Modification shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal and legal representatives, successors and assigns.

15. Authority. Each of the undersigned hereby represents and warrants that he/she has the necessary power and authority to execute this Modification on behalf of the party for whom it is executed and that such action has been duly authorized by all necessary action of the party for whom it is executed prior to the date hereof.

16. Final Agreement. This Modification represents the final agreement between the parties and supersedes all previous negotiations, discussions and agreements, contemporaneous or subsequent, between the parties, and no parol evidence of any prior or other agreement shall be permitted to contradict or vary their terms. There are no promises, terms, conditions or obligations other than those contained in this Modification. There are no unwritten oral agreements between the parties.

17. Binding Effect. This Modification shall, upon satisfaction of the items set forth in Section 5 above, be effective as of the date set forth above. Thereafter, this Modification shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, each Lender, each of the other parties to the Loan Documents and each of their respective successors and assigns.

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IN WITNESS WHEREOF, this Modification has been duly executed under seal as of the date and year first above written.

BORROWER:

Tanger Properties Limited Partnership, a North Carolina limited partnership

By: Tanger GP Trust, its sole general partner

By: /s/ Frank C. Marchisello, Jr.
Frank C. Marchisello, Jr.
Vice President, Treasurer, Assistant Secretary

GUARANTORS:

Tanger Factory Outlet Centers, Inc., a North Carolina corporation

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

TWMB Associates, LLC,
a North Carolina limited liability company

By: Tanger Properties Limited Partnership, Its manager

By: Tanger GP Trust, Its sole general partner

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

COROC/Hilton Head I L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

[signature pages continue]

COROC/Hilton Head II L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/Lakes Region L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/Lincoln City L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

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COROC/Myrtle Beach L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/Park City L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/Rehoboth I L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

[signature pages continue]

COROC/ Rehoboth II L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/ Rehoboth III L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/Riviera L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

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COROC/Tuscola L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

COROC/Westbrook I L.L.C.

By: COROC Holdings, LLC

By: Tanger COROC, LLC and Tanger COROC II, LLC

By: Tanger Devco, LLC their Manager

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

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Exhibit 12.1

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Year ended December 31,				
	2013	2012	2011	2010	2009
Earnings:					
Income before equity in earnings (losses) of unconsolidated joint ventures and noncontrolling interests (1) (2) (3)	$ 102,281	$ 59,771	$ 52,554	$ 38,806	$ 74,221
Add:					
Distributed income of unconsolidated joint ventures	5,853	1,005	499	653	660
Amortization of capitalized interest	513	509	507	492	474
Interest expense	51,616	49,814	45,382	41,789	37,684
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Total earnings	162,341	113,007	100,880	83,493	114,782
Fixed charges:					
Interest expense	51,616	49,814	45,382	41,789	37,684
Capitalized interest and capitalized amortization of debt issue costs	1,628	1,233	413	1,527	310
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Total fixed charges	$ 55,322	$ 52,955	$ 47,733	$ 45,069	$ 39,737
Ratio of earnings to fixed charges	2.9	2.1	2.1	1.9	2.9
Earnings:					
Income before equity in earnings (losses) of unconsolidated joint ventures, noncontrolling interests and discontinued operations (1) (2) (3)	$ 102,281	$ 52,554	$ 52,554	$ 38,806	$ 74,221
Add:					
Distributed income of unconsolidated joint ventures	5,853	499	499	653	660
Amortization of capitalized interest	513	507	507	492	474
Interest expense	51,616	45,382	45,382	41,789	37,684
Portion of rent expense - interest factor	2,078	1,938	1,938	1,753	1,743
Total Earnings	162,341	100,880	100,880	83,493	114,782
Fixed charges and preferred share dividends:					
Interest expense	51,616	49,814	45,382	41,789	37,684
Capitalized interest and capitalized amortization of debt issue costs	1,628	1,233	413	1,527	310
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Preferred share dividends	—	—	—	5,297	5,625
Total combined fixed charges and preferred share dividends	$ 55,322	$ 52,955	$ 47,733	$ 50,366	$ 45,362
Ratio of earnings to combined fixed charges and preferred share dividends	2.9	2.1	2.1	1.7	2.5

(1) Income before equity in earnings (losses) of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2013, includes a $26.0 million gain on a previously held interest in an acquired joint venture.

(2) The year ended December 31, 2010 includes a loss on termination of derivatives of $6.1 million.

(3) The year ended December 31, 2009 includes a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt and a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest.

Exhibit 12.2

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Year ended December 31,				
	2013	2012	2011	2010	2009
Earnings:					
Income before equity in earnings (losses) of unconsolidated joint ventures and noncontrolling interests (1) (2) (3)	$ 102,281	$ 59,771	$ 52,554	$ 38,806	$ 74,221
Add:					
Distributed income of unconsolidated joint ventures	5,853	1,005	499	653	660
Amortization of capitalized interest	513	509	507	492	474
Interest expense	51,616	49,814	45,382	41,789	37,684
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Total earnings	162,341	113,007	100,880	83,493	114,782
Fixed charges:					
Interest expense	51,616	49,814	45,382	41,789	37,684
Capitalized interest and capitalized amortization of debt issue costs	1,628	1,233	413	1,527	310
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Total fixed charges	$ 55,322	$ 52,955	$ 47,733	$ 45,069	$ 39,737
Ratio of earnings to fixed charges	2.9	2.1	2.1	1.9	2.9
Earnings:					
Income before equity in earnings (losses) of unconsolidated joint ventures and discontinued operations (1) (2) (3)	$ 102,281	$ 59,771	$ 52,554	$ 38,806	$ 74,221
Add:					
Distributed income of unconsolidated joint ventures	5,853	1,005	499	653	660
Amortization of capitalized interest	513	509	507	492	474
Interest expense	51,616	49,814	45,382	41,789	37,684
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Total earnings	162,341	113,007	100,880	83,493	114,782
Fixed charges and preferred unit distributions:					
Interest expense	51,616	49,814	45,382	41,789	37,684
Capitalized interest and capitalized amortization of debt issue costs	1,628	1,233	413	1,527	310
Portion of rent expense - interest factor	2,078	1,908	1,938	1,753	1,743
Preferred unit distributions	—	—	—	5,297	5,625
Total combined fixed charges and preferred unit distributions	$ 55,322	$ 52,955	$ 47,733	$ 50,366	$ 45,362
Ratio of earnings to combined fixed charges and preferred unit distributions	2.9	2.1	2.1	1.7	2.5

(1) Income before equity in earnings (losses) of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2013, includes a $26.0 million gain on a previously held interest in an acquired joint venture.

(2) The year ended December 31, 2010 includes a loss on termination of derivatives of $6.1 million.

(3) The year ended December 31, 2009 includes a $10.5 million gain on early extinguishment of debt from an exchange offer of common shares for convertible debt and a $31.5 million gain on acquisition of previously held unconsolidated joint venture interest.

EXHIBIT 21.1

Tanger Factory Outlet Centers, Inc.

List of Subsidiaries

Tanger Properties Limited Partnership
Tanger GP Trust
Tanger LP Trust
Tanger Development Corporation
TWMB Associates, LLC
Tanger Deer Park, LLC
Tanger COROC, LLC
Tanger COROC II, LLC
COROC Holdings, LLC
COROC/Riviera L.L.C.
COROC/Hilton Head I L.L.C.
COROC/Hilton Head II L.L.C.
COROC/Lincoln City L.L.C.
COROC/Myrtle Beach L.L.C.
COROC/Park City L.L.C.
COROC/Rehoboth I L.L.C.
COROC/Rehoboth II L.L.C.
COROC/Rehoboth III L.L.C.
COROC/Lakes Region L.L.C.
COROC/Tilton II L.L.C.
COROC/Tuscola L.L.C.
COROC/Westbrook I L.L.C.
COROC/Westbrook II L.L.C.
COROC/Clinton CHR, LLC
COROC/Clinton WR, LLC
Tanger Devco, LLC
Tanger WD, LLC
Tanger Wisconsin Dells, LLC
Northline Indemnity, LLC
Tanger Phoenix, LLC
Tanger Scottsdale, LLC
Tanger Houston, LLC
Pembroke Acquisition Company, LLC
Tanger Hershey GP, LLC
Tanger Hershey I, LLC
Tanger Hershey II, LLC
Tanger Hershey Limited Partnership
FSH Associates LP
San Marc I, LLC
Tanger San Marc, LLC
Tanger DC, LLC
Tanger National Harbor, LLC
Galveston Outlets, LLC
Tanger Master Trust
Tanger Canada 1, LLC
1633272 Alberta ULC
Tanger AC-I, LLC
Tanger AC-II, LLC
Tanger AC-III, LLC
Atlantic City Associates, LLC
Atlantic City Associates Number Two Investors, LLC
Atlantic City Associates Number Two (S-1), LLC
Atlantic City Associates Number Three, LLC

Tanger OCF, LLC
OCF Holdings, LLC
Ocean City Factory Outlets, Inc.
Ocean City Factory Outlets I, LC
Ocean City Factory Outlets Acceptance Company, LLC
Tanger Charlotte, LLC
Tanger Columbus, LLC
Tanger Canada 2, LLC
Tanger Canada 3, LLC
Tanger Foxwoods, LLC
Outlets at Westgate, LLC
Columbus Outlets, LLC
Charlotte Outlets, LLC
Fashion Outlets at Foxwoods, LLC
Stone Square Center Inc.
Les Factoreries Saint-Sauveur (2003), Inc.
Holden Acquisition Company, LLC
Cornwallis Acquisition Company, LLC
Tanger Canada 4, LLC
Tanger Outlets Deer Park, LLC
Tanger Manager, LLC
Tanger Deer Park Mezz, LLC
Tanger Deer Park TIC, LLC
Tanger Finance Holdings, Inc.
Tanger Finance, LLC
Tanger Grand Rapids, LLC
Tanger Outlets of Savannah, LLC
Green Valley Acquisition, LLC
Outlet Mall of Savannah, LLC

Exhibit 21.2

Tanger Properties Limited Partnership

List of Subsidiaries

Tanger Development Corporation
TWMB Associates, LLC
Tanger Deer Park, LLC
Tanger COROC, LLC
Tanger COROC II, LLC
COROC Holdings, LLC
COROC/Riviera L.L.C.
COROC/Hilton Head I L.L.C.
COROC/Hilton Head II L.L.C.
COROC/Lincoln City L.L.C.
COROC/Myrtle Beach L.L.C.
COROC/Park City L.L.C.
COROC/Rehoboth I L.L.C.
COROC/Rehoboth II L.L.C.
COROC/Rehoboth III L.L.C.
COROC/Lakes Region L.L.C.
COROC/Tilton II L.L.C.
COROC/Tuscola L.L.C.
COROC/Westbrook I L.L.C.
COROC/Westbrook II L.L.C.
COROC/Clinton CHR, LLC
COROC/Clinton WR, LLC
Tanger Devco, LLC
Tanger WD, LLC
Tanger Wisconsin Dells, LLC
Northline Indemnity, LLC
Tanger Phoenix, LLC
Tanger Scottsdale, LLC
Tanger Houston, LLC
Pembroke Acquisition Company, LLC
Tanger Hershey GP, LLC
Tanger Hershey I, LLC
Tanger Hershey II, LLC
Tanger Hershey Limited Partnership
FSH Associates LP
San Marc I, LLC
Tanger San Marc, LLC
Tanger DC, LLC
Tanger National Harbor, LLC
Galveston Outlets, LLC
Tanger Master Trust
Tanger Canada 1, LLC
1633272 Alberta ULC
Tanger AC-I, LLC
Tanger AC-II, LLC
Tanger AC-III, LLC
Atlantic City Associates, LLC
Atlantic City Associates Number Two Investors, LLC
Atlantic City Associates Number Two (S-1), LLC
Atlantic City Associates Number Three, LLC
Tanger OCF, LLC
OCF Holdings, LLC
Ocean City Factory Outlets, Inc.
Ocean City Factory Outlets I, LC

Ocean City Factory Outlets Acceptance Company, LLC
Tanger Charlotte, LLC
Tanger Columbus, LLC
Tanger Canada 2, LLC
Tanger Canada 3, LLC
Tanger Foxwoods, LLC
Outlets at Westgate, LLC
Columbus Outlets, LLC
Charlotte Outlets, LLC
Fashion Outlets at Foxwoods, LLC
Stone Square Center Inc.
Les Factoreries Saint-Sauveur (2003), Inc.
Holden Acquisition Company, LLC
Cornwallis Acquisition Company, LLC
Tanger Canada 4, LLC
Tanger Outlets Deer Park, LLC
Tanger Manager, LLC
Tanger Deer Park Mezz, LLC
Tanger Deer Park TIC, LLC
Tanger Finance Holdings, Inc.
Tanger Finance, LLC
Tanger Grand Rapids, LLC
Tanger Outlets of Savannah, LLC
Green Valley Acquisition, LLC
Outlet Mall of Savannah, LLC

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-80450, 333-91863 and 333-126924) and Form S-3 (Nos. 333-192911, 333-181984, 333-176290, 333-160433, 333-128160, 333-39365 and 333-99736) of Tanger Factory Outlet Centers, Inc. of our report dated March 3, 2014, relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 3, 2014

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-181984, 333-160433, 333-128160, 333-39365 and 333-99736) of Tanger Properties Limited Partnership of our report dated March 3, 2014, relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
March 3, 2014

Exhibit 31.1

I, Steven B. Tanger, certify that:

1. I have reviewed this annual report on Form 10-K of Tanger Factory Outlet Centers, Inc. for the year ended December 31, 2013;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2014

/s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 31.2

I, Frank C. Marchisello, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Tanger Factory Outlet Centers, Inc. for the year ended December 31, 2013;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2014

/s/ Frank C. Marchisello, Jr._
Frank C. Marchisello, Jr.
Executive Vice-President and Chief Financial Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 31.3

I, Steven B. Tanger, certify that:

1 I have reviewed this annual report on Form 10-K of Tanger Properties Limited Partnership for the year ended December 31, 2013;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2014

/s/ Steven B. Tanger

Steven B. Tanger
President and Chief Executive Officer
Tanger GP Trust, sole general partner of the Operating Partnership

Exhibit 31.4

I, Frank C. Marchisello, Jr., certify that:

1 I have reviewed this annual report on Form 10-K of Tanger Properties Limited Partnership for the year ended December 31, 2013;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2014

/s/ Frank C. Marchisello, Jr.

Frank C. Marchisello, Jr.
Vice-President and Treasurer
Tanger GP Trust, sole general partner of the Operating Partnership
(Principal Financial Officer)

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2013 (the " Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 3, 2014

/s/ Steven B. Tanger

Steven B. Tanger
President and Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 3, 2014

/s/ Frank C. Marchisello, Jr.

Frank C. Marchisello, Jr.
Executive Vice President and Chief Financial Officer Tanger Factory Outlet Centers, Inc.

Exhibit 32.3

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Properties Limited Partnership (the "Operating Partnership") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Operating Partnership for the year ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: March 3, 2014

/s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer
Tanger GP Trust, sole general partner of the Operating Partnership

Exhibit 32.4

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Properties Limited Partnership (the "Operating Partnership") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Operating Partnership for the year ended December 31, 2013 (the " Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date:	March 3, 2014	/s/ Frank C. Marchisello, Jr.
		Frank C. Marchisello, Jr. Vice President and Treasurer Tanger GP Trust, sole general partner of the Operating Partnership (Principal Financial Officer)