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, 2016

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 $3,808,013,373 based on the closing price on the New York Stock Exchange for such shares on June 30, 2016.

The number of Common Shares of Tanger Factory Outlet Centers, Inc. outstanding as of February 1, 2017 was 96,259,265.

Documents Incorporated By Reference

Portions of Tanger Factory Outlet Center, Inc.'s definitive proxy statement to be filed with respect to the 2017 Annual Meeting of Shareholders are incorporated by reference in Part III.

PART I

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2016 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. 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. As the Operating Partnership is the issuer of our registered debt securities, we are required to present a separate set of financial statements for this entity.

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, 2016, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 96,095,891 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 5,027,781 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 status as a REIT. 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.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership’s economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant. 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, which we refer to as the Company, 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, 2016, our consolidated portfolio consisted of 36 outlet centers, with a total gross leasable area of approximately 12.7 million square feet, which were 98% occupied and contained over 2,600 stores representing approximately 400 store brands. We also had partial ownership interests in 8 unconsolidated outlet centers totaling approximately 2.3 million square feet, including 4 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, which we refer to as 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, 2016, the Company, through its ownership of the Tanger GP and Tanger LP Trusts, owned 96,095,891 units of the Operating Partnership and the Non-Company LPs collectively owned 5,027,781 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 status as a REIT. 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

Acquisitions of Partners' Interests

Westgate Acquisition

In June 2016, we completed the purchase of our partners' interest in the Westgate joint venture, which owned the outlet center in Glendale, Arizona, for a total cash price of approximately $40.9 million. Prior to the transaction, we owned a 58% interest in the Westgate joint venture since its formation in 2012 and accounted for it under the equity method of accounting. The former joint venture is now wholly-owned by us and was consolidated in our financial results as of June 30, 2016.

The total cash price included $39.0 million to acquire the 40% ownership interest held by the equity partner in the joint venture. We also purchased the remaining 2% noncontrolling ownership interests in the Westgate outlet center held in a consolidated partnership for a purchase price of $1.9 million. The acquisition of the noncontrolling ownership interest was recorded as an equity transaction and, as a result, the carrying balances of the noncontrolling interest were eliminated and the remaining difference between the purchase price and carrying balance was recorded as a reduction in additional-paid-in-capital. We funded the total purchase price with borrowings under our unsecured lines of credit. At the time of the acquisition, the property was subject to a $62.0 million mortgage loan, with an interest rate of LIBOR + 1.75% and a maturity in June 2017. In August 2016, we repaid the mortgage loan in full with proceeds from the public offering of $250.0 million in senior notes due 2026.

Savannah Acquisition

In August 2016, the Savannah joint venture, which owned the outlet center in Pooler, Georgia distributed all outparcels along with $15.0 million in cash consideration to the other partner in exchange for the partner's ownership interest. We contributed the $15.0 million in cash consideration to the joint venture, which we funded with borrowings under our unsecured lines of credit. At the time of acquisition, the property was subject to a $96.9 million construction loan, with an interest rate of LIBOR + 1.65%, that would have matured in May 2017. In September 2016, we repaid the mortgage loan with borrowings under our unsecured lines of credit.

The former joint venture is now wholly-owned by us and was consolidated in our financial results as of the acquisition date. Prior to this transaction, we owned a 50% legal interest in the joint venture since its formation and accounted for it under the equity method of accounting. However, due to preferred equity contributions we made to the joint venture, and the returns earned on those contributions, our estimated economic interest in the book value of the assets was approximately 98%. Therefore, substantially all of the earnings of the joint venture were previously recognized by us as equity in earnings of unconsolidated joint ventures.

New Development of Consolidated Outlet Centers

Daytona Beach

In November 2016, we opened an approximately 349,000 square foot, wholly-owned, outlet center in Daytona Beach, Florida. This outlet center features over 80 brand name and designer outlet stores.

Lancaster Expansion

In July 2016, we commenced construction on a 123,000 square foot expansion of our outlet center in Lancaster, Pennsylvania. The expansion is expected to be open by the third quarter of 2017.

Fort Worth

In September 2016, we purchased land in the greater Fort Worth, Texas area for approximately $11.2 million and began construction immediately on the development of a wholly-owned outlet center. The outlet center will be located within the 279-acre Champions Circle mixed-use development adjacent to Texas Motor Speedway. The outlet center is expected to be open by Holiday 2017.

Unconsolidated Real Estate Joint Ventures

Columbus

In June 2016, we opened an approximately 355,000 square foot outlet center in Columbus, Ohio. As of December 31, 2016, we and our partner had each contributed $47.5 million to fund development activities. In November 2016, the joint venture closed on an interest-only mortgage loan of $85.0 million at an interest rate of LIBOR + 1.65%. The loan initially matures in November 2019, with two one-year extension options. The joint venture received net loan proceeds of $84.2 million and distributed them equally to the partners. We are providing property management, marketing and leasing services to the joint venture. During construction, our partner provided development services to the joint venture and we, along with our partner, provided joint leasing services.

Dispositions of Consolidated Outlet Centers

Fort Myers

In January 2016, we sold our outlet center in Fort Myers, Florida for net proceeds of approximately $25.8 million for a gain of $4.9 million. The proceeds from the sale of this unencumbered asset were used to pay down balances outstanding under our unsecured lines of credit.

Financing Transactions

Deer Park Debt Repayment

In January 2016, we repaid our $150.0 million floating rate mortgage loan, which had an original maturity date in August 2018 and was related to our 749,000 square foot Deer Park outlet center.

Unsecured Term Loan

In April 2016, we amended our unsecured term loan to increase the size of the loan from $250.0 million to $325.0 million, extend the maturity date from February 23, 2019 to April 13, 2021, reduce the interest rate spread over LIBOR from 1.05% to 0.95%, and increase the incremental loan availability through an accordion feature from $150.0 million to $175.0 million.

Derivatives

In April 2016, we entered into four separate interest rate swap agreements, effective April 13, 2016 that fix the base LIBOR rate at an average of 1.03% on notional amounts totaling $175.0 million through January 1, 2021.

Aggregate $350.0 Million Unsecured Senior Notes due 2026

In August 2016, we completed a public offering of $250.0 million in senior notes due 2026 in an underwritten public offering. The notes were priced at 99.605% of the principal amount to yield 3.171% to maturity. In October 2016, we sold an additional $100.0 million of our senior notes due 2026. The notes priced at 98.962% of the principal amount to yield 3.248% to maturity. The notes pay interest semi-annually at a rate of 3.125% per annum and mature on September 1, 2026. The aggregate net proceeds from the offerings, after deducting the underwriting discount and offering expenses, were approximately $344.5 million. We used the net proceeds from the sale of the notes to repay a $62.0 million floating rate mortgage loan related to the outlet center in Glendale (Westgate), Arizona, repay borrowings under our unsecured lines of credit, and for general corporate purposes.

The Outlet Concept

Outlet centers generally consist of stores operated by manufacturers and brand name retailers that sell primarily first quality, branded products, some of which are made specifically for the outlet distribution channel, 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, enhancing their profit potential. Outlet centers enable retailers to optimize the size of production runs while continuing to maintain control of their distribution channels. Outlet centers also enable manufacturers and brand name retailers to establish a direct relationship with their customers.

We believe that outlet centers present an attractive opportunity for capital investment as many retailers view the outlet concept as a profitable distribution channel. However, due to present economic conditions, the availability of multiple retail channels, and the potential for increased competition from other outlet center developers, 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, except one joint venture property, 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 established long-standing relationships with many of our tenants that we believe is critical in developing and operating successful outlet centers.

Our consolidated outlet centers range in size from 82,161 to 749,074 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 Ann Taylor, American Eagle Outfitters, Banana Republic Factory Store, Barneys New York, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Giorgio Armani, Hugo Boss Factory Store, J. Crew, Kate Spade New York, Lululemon Athletica, Michael Kors, Nike Factory Store, North Face, Polo Ralph Lauren Factory Store, Saks Fifth Avenue Off 5th, Tommy Hilfiger, Under Armour, Victoria's Secret, Vineyard Vines 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 2016, 2015 or 2014. As of December 31, 2016, no single tenant accounted for more than 7.6% of our leasable square feet or 6.2% of our combined base and percentage rental revenues. Because many of our tenants are large, multinational manufacturers or retailers, we have not experienced 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 91% of our total revenues in 2016. Revenues from contingent sources, such as percentage rents, vending income and miscellaneous income, accounted for approximately 9% of our total revenues in 2016.

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 outlet 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 36 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, 2016, our consolidated outlet centers were 98% occupied with average tenant sales of $394 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, leasing 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 outlet centers, renovating and expanding selected outlet 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 outlet centers may be wholly-owned by us or developed through joint venture arrangements.

Increasing rents at existing outlet 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 outlet 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 outlet 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 36 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 outlet 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 outlet centers with approximately 80 to 90 stores totaling at least 325,000 to 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 60% of the space in each outlet center prior to acquiring the site and beginning construction; however, we may choose to proceed with construction with less than 60% 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 outlet center.

Expanding and renovating existing outlet centers

Keeping our outlet 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 Outlet 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 re-merchandising 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 outlet 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

Our long-standing retailer relationships and our focus on identifying emerging retailers 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 home goods. In order for our outlet 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 outlet 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 outlet centers. Utilizing a strategic mix of print, radio, television, direct mail, our consumer website, Internet advertising, social networks, mobile 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 non-core 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 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 our planned capital expenditures during 2017.

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 when our next significant debt maturity, our unsecured line of credit facilities, occurs in 2019. 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 outlet center. Our outlet centers compete for customers primarily with outlet centers built and operated by different developers, traditional shopping malls, full-and off-price retailers and e-commerce 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 and e-commerce retailers are often unable to provide such a variety of and depth 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 major department stores or the tenants' own specialty stores. For this reason, our outlet 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, individual 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 marketing programs to drive traffic to the centers and relationships with premier manufacturers and brand name retailers, will continue to limit the number of new outlet centers developed each year.

Financial Information

We have 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 where our corporate headquarters is located as well as a regional office in Miami, Florida.

As of February 1, 2017, we maintain offices and employ on-site managers at 38 consolidated and unconsolidated outlet centers. The managers closely monitor the operation, marketing and local relationships at each of their outlet 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. 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, 2017, we had 297 full-time employees, located at our corporate headquarters in North Carolina, our regional office in Miami and 40 business offices. At that date, we also employed 362 part-time employees at various locations.

ITEM 1A. RISK FACTORS

Risks Related to Real Estate Investments

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, changes in government policies and regulations, 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, estimated hold period, terminal capitalization rates, 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.

Dispositions may not achieve anticipated results.

From time to time, we may strategically dispose of assets with the goal of improving the overall performance of our core portfolio. However, we may not achieve the results we originally anticipated at the time of disposition. If we are not successful at achieving the anticipated results, there is a potential for a significant adverse impact on our returns and our overall profitability.

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.

Possible terrorist activity or other acts or threats of violence and threats to public safety could adversely affect our financial condition and results of operations.

Terrorist attacks and threats of terrorist attacks, whether in the United States, Canada or elsewhere, or other acts or threats of violence may result in declining economic activity, which could harm the demand for goods and services offered by our tenants and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand could make it difficult for us to renew or re-lease our properties.

Terrorist activities or violence also could directly affect the value of our properties through damage, destruction or loss. In addition, these acts and threats might erode business and consumer confidence and spending, and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our properties, impair the ability of tenants to meet their obligations under their existing leases, and limit our access to capital or increase our cost of raising capital.

Risks Related to our Business

Our earnings and therefore our profitability are 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 rental rates at our centers decrease, 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 outlet 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 or profitability of our retail tenants decline sufficiently, whether due to a change in consumer preferences, legislative changes that increase the cost of their operations or otherwise, 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, or the voluntary closings of a significant amount of stores, 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 outlet centers.

Some of the risks to which our outlet centers are subject, including risks of terrorist attacks, war, 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 spending habits may change.

Shoppers may choose to spend a greater percentage of their disposable income to purchase goods through e-commerce or other retail channels, which could reduce the number of trips to our outlet 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.

Our Canadian investments may subject us to different or greater risk from those associated with our domestic operations.

As of December 31, 2016, through a co-ownership arrangement with a Canadian REIT, we have an ownership interest in four properties in Canada. Our operating results and the value of our Canadian operations may be impacted by any unhedged movements in the Canadian dollar. Canadian ownership activities carry risks that are different from those we face with our domestic properties. These risks include:

- adverse effects of changes in the exchange rates between the US and Canadian dollar;
- changes in Canadian political and economic environments, regionally, nationally, and locally;
- challenges of complying with a wide variety of foreign laws;
- changes in applicable laws and regulations in the United States that affect foreign operations;
- property management services being provided directly by our 50/50 co-owner, not by us; and
- obstacles to the repatriation of earnings and cash.

Our success significantly depends on our key personnel and our ability to attract and retain key personnel.

Our success depends upon the personal efforts and abilities of our senior management team and other key personnel. Although we believe we have a strong management team with relevant industry expertise, the extended loss of the services of key personnel could have a material adverse effect on the securities markets' view of our prospects and materially harm our business. Also, our continued success and the achievement of our expansion goals are dependent upon our ability to attract and retain additional qualified employees as we expand.

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.

The Operating Partnership guarantees debt or otherwise provides support for a number of joint venture properties.

Joint venture debt is the liability of the joint venture and is typically secured by a mortgage on the joint venture property, which is non-recourse to us. A default by a joint venture under its debt obligations may expose us to liability under a guaranty. We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such fundings are not typically required contractually or otherwise.

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 a material 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, certain 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.

Legislative or regulatory action could adversely affect our shareholders.

Future changes to tax laws may adversely affect the taxation of the REIT, its subsidiaries or its shareholders. These changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets.

These potential changes could generally result in REIT’s having fewer tax advantages, and may lead REIT’s to determine that it would be more advantageous to elect to be taxed, for federal income tax purposes, as a corporation.

Not all states automatically conform to changes in the Internal Revenue Code. Some states use the legislative process to decide whether it is in their best interests to conform or not to various provisions of the Code. This could increase the complexity of our compliance efforts, increase compliance costs, and may subject us to additional taxes and audit risk.

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 attacked by individuals or organizations intending to disrupt our business operations and information technology systems, whether through cyber-attacks or cyber-intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber-intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication attempted attacks and intrusions from around the world have increased. We use information technology systems to manage our outlet centers and other business processes. Disruption of those systems could adversely impact our ability to operate our business to provide timely service to our customers and maintain our relationships with our tenants. 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 and our share price 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, 2017, our consolidated portfolio consisted of 36 outlet centers totaling 12.7 million square feet located in 22 states. We own interests in eight other outlet centers totaling approximately 2.3 million square feet through unconsolidated joint ventures, including four outlet centers in Canada. Our consolidated outlet centers range in size from 82,161 to 749,074 square feet. The outlet centers are generally located near tourist destinations or along major interstate highways to provide visibility and accessibility to potential customers.

We believe that the outlet centers are well diversified geographically and by tenant and that we are not dependent upon any single property or tenant. The outlet center in Deer Park, New York is the only property that comprises 10% or more of our consolidated total assets as of December 31, 2016. No property comprises more than 10% of our consolidated revenues for the year ended December 31, 2016. See "Properties - Significant Property" for further details.

We have an ongoing strategy of acquiring outlet centers, developing new outlet centers and expanding existing outlet 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.

As of February 1, 2017, of the 36 outlet centers in our consolidated portfolio, we own the land underlying 29 and have ground leases on seven. The following table sets forth information about the land leases on which all or a portion of the outlet 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	43.6	2086	2086
Riverhead, NY	47.0	2019	2039
Mashantucket, CT (Foxwoods)	8.1	2040	2090
Rehoboth Beach, DE	2.7	2044	(1)

(1) Lease may be renewed at our option for additional terms of twenty years each.

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 outlet center. As a result, the majority of our operating expenses for the outlet centers are borne by the tenants.

The following table summarizes certain information with respect to our consolidated outlet centers as of February 1, 2017:

State	Number of Outlet Centers	Square Feet	% of Square Feet
South Carolina	5	1,598,790	13
New York	2	1,478,780	12
Georgia	3	1,117,567	9
Pennsylvania	3	849,873	7
Michigan	2	671,539	5
Texas	2	649,556	5
Connecticut	2	601,512	5
Alabama	1	556,677	4
Delaware	1	556,409	4
North Carolina	3	505,123	4
New Jersey	1	489,706	4
Tennessee	1	448,335	3
Ohio	1	411,830	3
Arizona	1	407,673	3
Florida	1	349,402	3
Missouri	1	329,861	3
Louisiana	1	321,066	3
Mississippi	1	320,337	2
Utah	1	319,661	2
Iowa	1	276,331	2
New Hampshire	1	245,698	2
Maryland	1	198,800	2
Total	36	12,704,526	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, 2017. Except as noted, all properties are fee owned:

Location	Legal Ownership %	Square Feet	% Occupied
Consolidated Outlet Centers			
Deer Park, New York	100	749,074	97
Riverhead, New York (1)	100	729,706	97
Foley, Alabama	100	556,677	99
Rehoboth Beach, Delaware (1)	100	556,409	95
Atlantic City, New Jersey (1) (4)	99	489,706	89
San Marcos, Texas	100	471,756	96
Sevierville, Tennessee (1)	100	448,335	100
Myrtle Beach Hwy 501, South Carolina	100	425,247	95
Savannah, Georgia	100	425,089	98
Jeffersonville, Ohio	100	411,830	92
Glendale, Arizona (Westgate)	100	407,673	99
Myrtle Beach Hwy 17, South Carolina (1)	100	403,192	98
Charleston, South Carolina	100	382,117	96
Pittsburgh, Pennsylvania	100	372,958	99
Commerce, Georgia	100	371,408	98
Grand Rapids, Michigan	100	357,080	96
Daytona Beach, Florida	100	349,402	96
Branson, Missouri	100	329,861	100
Locust Grove, Georgia	100	321,070	98
Gonzales, Louisiana	100	321,066	99
Southaven, Mississippi (2) (4)	50	320,337	94
Park City, Utah	100	319,661	100
Mebane, North Carolina	100	318,910	98
Howell, Michigan	100	314,459	95
Mashantucket, Connecticut (Foxwoods) (1) (2) (4)	67	311,614	96
Westbrook, Connecticut	100	289,898	86
Williamsburg, Iowa	100	276,331	99
Hershey, Pennsylvania	100	247,500	100
Tilton, New Hampshire	100	245,698	98
Lancaster, Pennsylvania	100	229,415	97
Hilton Head II, South Carolina	100	206,564	100
Ocean City, Maryland (1)	100	198,800	80
Hilton Head I, South Carolina	100	181,670	100
Terrell, Texas	100	177,800	96
Blowing Rock, North Carolina	100	104,052	98
Nags Head, North Carolina	100	82,161	96
Total		12,704,526	97 (3)

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

(2) Based on capital contribution and distribution provisions in the joint venture agreement, we expect our economic interest in the venture's cash flow to be greater than our legal ownership percentage. We currently receive substantially all the economic interest of the property.

(3) Excludes the occupancy rate at our Daytona Beach center which opened during the fourth quarter of 2016 and has not yet stabilized.

(4) Property encumbered by mortgage. See notes 8 and 9 to the consolidated financial statements for further details of our debt obligations.

Location	Legal Ownership %	Square Feet	% Occupied
Unconsolidated joint venture properties			
Charlotte, North Carolina (1)	50	397,844	98
Columbus, Ohio (1)	50	355,220	94
Texas City, Texas (Galveston/Houston) (1)	50	352,705	99
National Harbor, Maryland (1)	50	341,156	97
Ottawa, Ontario	50	316,494	97
Cookstown, Ontario	50	307,789	97
Bromont, Quebec	50	161,307	69
Saint-Sauveur, Quebec (1)	50	115,771	83
Total		2,348,286	95 (2)

(1) Property encumbered by mortgage. See note 8, to the consolidated financial statements for further details of our debt obligations.

(2) Excludes the occupancy rate at our Columbus center which opened during the second quarter of 2016 and has not yet stabilized.

Lease Expirations

The following table sets forth, as of February 1, 2017, scheduled lease expirations for our consolidated outlet centers, assuming none of the tenants exercise renewal options:

Year	No. of Leases Expiring	Approx. Square Feet (in 000's)(1)	Average Annualized Base Rent per sq. ft	Annualized Base Rent (in 000's)(2)	% of Gross Annualized Base Rent Represented by Expiring Leases
2017	237	1,015	$ 21.71	$ 22,037	7
2018	344	1,638	24.66	40,389	13
2019	252	1,120	25.63	28,707	11
2020	255	1,403	22.26	31,224	10
2021	275	1,439	22.44	32,288	11
2022	211	871	28.24	24,594	8
2023	157	700	25.46	17,825	6
2024	141	568	33.60	19,086	6
2025	297	1,307	31.01	40,524	14
2026	240	1,013	27.89	28,257	9
2027 and after	72	605	24.12	14,593	5
	2,481	11,679	$ 25.65	$ 299,524	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 1.0 million square feet.

(2) Annualized base rent is defined as the minimum monthly payments due as of February 1,2017 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.

Based on current market base rental rates, we believe we will achieve overall positive increases in our average base rental income for leases expiring in 2017. However, changes in base rental income associated with individual signed leases on comparable spaces may be positive or negative, and we can provide no assurance that the base rents on new leases will continue to increase from current levels, if at all.

Base Rents and Occupancy Rates

The following table sets forth our year end occupancy and average annual base rent per square foot during each of the last five calendar years for our consolidated properties:

	2016	2015	2014	2013	2012
Occupancy	98%	97%	98%	99%	99%
Average annual base rent per square foot [(1)]	$ 26.10	$ 25.19	$ 23.78	$ 22.98	$ 21.94

(1) Average annual base rent per square foot is calculated on a straight-line basis including the effects of inducements and rent concessions.

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 (in 000's)	% of Total Outlet Center Square Feet [(1)]	Square Feet (in 000's)	% of Expiring Square Feet
2016[(2)]	1,440	12	1,223	85
2015[(3)]	1,532	13	1,282	84
2014[(4)]	1,613	14	1,241	77
2013	1,950	18	1,574	81
2012	1,814	17	1,536	85

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

(2) Excludes Fort Myers outlet center, which was sold in January 2016.

(3) Excludes the outlet centers in Kittery I & II, Tuscola, West Branch, and Barstow, which were sold during 2015.

(4) Excludes the Lincoln City outlet center, which was sold in 2014.

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 Rent ($ per sq. ft.)				Average Annualized Base Rent ($ per sq. ft.)		
Year	Square Feet (in 000's)	Expiring	New	% Increase	Square Feet (in 000's)	Expiring	New	% Increase
2016[2]	1,223	$ 22.60	$ 26.59	18	384	$ 25.62	$ 32.64	27
2015[3]	1,282	21.77	26.06	20	444	24.33	31.48	29
2014[4]	1,241	19.97	23.38	17	470	24.20	32.93	36
2013	1,574	20.09	23.96	19	510	22.19	30.57	38
2012	1,536	18.70	21.75	16	450	20.60	31.72	54

(1) The square footage released to new tenants for 2016, 2015, 2014, 2013, and 2012 contains 93,000 149,000, 207,000, 224,000 and 137,000, respectively, that was released to new tenants upon expiration of an existing lease during the respective year.

(2) Excludes Fort Myers outlet center, which was sold in January 2016 and includes the Westgate and Savannah outlet centers, which are both now consolidated due to the acquisition of the other joint venture partners' interests during June 2016 and August 2016, respectively.

(3) Excludes the outlet centers in Kittery I & II, Tuscola, West Branch, and Barstow, which were sold during 2015.

(4) Excludes the Lincoln City outlet center, which was sold in 2014.

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 calendar 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
2016	9.9
2015	9.3
2014	8.9
2013	8.6
2012	8.4

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, 2017:

Tenant	Number of Stores	Square Feet	% of Total Square Feet
The Gap, Inc.:			
Old Navy	27	399,890	3.1
GAP	33	307,134	2.4
Banana Republic	32	263,430	2.1
	92	970,454	7.6
Ascena Retail Group, Inc.:			
Dress Barn	29	233,626	1.8
Loft	30	199,245	1.6
Ann Taylor	23	144,806	1.1
Lane Bryant	25	129,716	1.0
Justice	28	120,416	1.0
Maurice's	12	58,561	0.5
Dress Barn Woman	1	3,600	*
	148	889,970	7.0
Nike, Inc.:			
Nike	28	394,779	3.1
Converse	13	43,125	0.4
Hurley	1	2,133	*
	42	440,037	3.5
PVH Corp.:			
Tommy Hilfiger	30	226,074	1.8
Van Heusen	23	94,099	0.7
Calvin Klein, Inc.	12	80,119	0.6
	65	400,292	3.1
V. F. Corporation:			
VF Outlet	12	220,240	1.7
Nautica	10	53,430	0.4
The North Face	6	44,445	0.4
Timberland	8	41,426	0.3
Vans	7	27,472	0.2
	43	387,013	3.0
Ralph Lauren Corporation:			
Polo Ralph Lauren	30	326,159	2.6
Polo Children	4	17,575	0.1
Polo Ralph Lauren Big & Tall	3	15,262	0.1
Lauren Ralph Lauren	1	6,250	0.1
	38	365,246	2.9
G-III Apparel Group, Ltd.:			
Bass	32	180,973	1.4
Wilson's Leather	37	137,398	1.1
	69	318,371	2.5
Carter's Inc.:			
OshKosh B'Gosh	32	143,945	1.2
Carter's	30	128,661	1.0
	62	272,606	2.2
H&M Group:			
H&M	13	271,854	2.1
	13	271,854	2.1
Under Armour, Inc.:			
Under Armour	29	235,374	1.9
Under Armour Kids	3	10,022	0.1
	32	245,396	2.0
Total of all tenants listed in table	604	4,561,239	35.9

* 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. No property comprises more than 10% of our consolidated revenues.

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, 2016, 2015, and 2014:

Deer Park	Square Feet	2016	2015	2014
Outlet Center Occupancy	749,074	97%	95%	95%
Average base rental rates per weighted average square foot		$ 30.24	$ 30.34	$ 29.45

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 outlet center during 2016 amounted to $4.6 million. Real estate taxes for 2017 are estimated to be approximately $4.8 million.

The following table sets forth, as of February 1, 2017, 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 (in 000's) [1]	Annualized Base Rent per Square Foot	Annualized Base Rent (in 000's) [2]	% of Gross Annualized Base Rent Represented by Expiring Leases
2017	6	15	$ 23.53	$ 353	1
2018	25	149	31.01	4,620	21
2019	22	133	37.94	5,046	23
2020	3	13	44.23	575	3
2021	8	48	48.17	2,312	11
2022	4	15	37.80	567	3
2023	7	54	21.72	1,173	5
2024	7	29	37.86	1,098	5
2025	6	26	22.35	581	3
2026	6	17	24.82	422	2
2027 and thereafter	7	196	25.79	5,054	23
Total	101	695	$ 31.37	$ 21,801	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 54,000 square feet.

(2) Annualized base rent is defined as the minimum monthly payments due as of February 1,2017, 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

The Company and the Operating Partnership are, from time to time, engaged in a variety of legal proceedings arising in the normal course of business. Although the results of these legal proceedings cannot be predicted with certainty, management believes that the final outcome of such proceedings will not have a material adverse effect on our results of operations or financial condition.

On July 14, 2016, a lawsuit was filed by a local business owner in the Superior Court of New Jersey alleging that agreements that establish the property tax liability of certain of our subsidiaries violate the New Jersey Constitution and are unauthorized under New Jersey law. The plaintiff sought a declaratory judgment that the agreements were unenforceable. The lawsuit was dismissed by the court on January 30, 2017.

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	68	Director, President and Chief Executive Officer
Thomas E. McDonough	59	Executive Vice President - Chief Operating Officer
Chad D. Perry	45	Executive Vice President - General Counsel and Secretary
James F. Williams	52	Senior Vice President - Chief Financial Officer
Carrie A. Geldner	54	Senior Vice President - Chief Marketing Officer
Lisa J. Morrison	57	Senior Vice President - Leasing
Virginia R. Summerell	58	Senior Vice President of Finance - Treasurer and Assistant Secretary
Charles A. Worsham	45	Senior Vice President - Construction and Development

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.

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 named Secretary in May 2012. He was Executive Vice President and Deputy General Counsel of LPL Financial Corporation from May 2006 to December 2011. Previously, he was Senior Corporate Counsel of EMC Corporation. Mr. Perry began his legal career with international law firm Ropes & Gray LLP. 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, and earned a J.D. from Columbia University, where he was a Harlan Fiske Stone Scholar. He is a member of both the Massachusetts and California bar associations.

James F. Williams**.** Mr. Williams was named Senior Vice President - Chief Financial Officer in May 2016. He joined the Company in September 1993, served as Controller from January 1995 to March 2015 and Chief Accounting Officer from March 2013 to May 2016. He 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. He 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. Williams is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

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.

Virginia R. Summerell**.** Ms. Summerell was named Senior Vice President of Finance - 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.

Charles A. Worsham. Mr. Worsham was named Senior Vice President - Construction and Development in May 2014 and previously held the position of Vice President - Development since April 2011. Prior to joining the Company, Mr. Worsham was employed by DDR, Corp. for 8 years where he served as Vice President of Development from 2006 to 2010 and Development Director from 2003 to 2006 with a focus on executing the redevelopment and expansion program. From 1999 to 2003, Mr. Worsham served as Real Estate and Development Manager for Intown Suites where he managed the development of hotel properties in various geographic regions. His major responsibilities include implementing the Company’s real estate development program and oversight of construction personnel. Mr. Worsham is a graduate of Tennessee Technological University and holds an MBA degree in Real Estate from Georgia State University.

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:

2016	High	Low	Common Dividends Paid	Special Dividends
First Quarter	$ 36.51	$ 29.46	$ 0.2850	$ —
Second Quarter	40.22	33.71	0.3250	—
Third Quarter	42.20	38.01	0.3250	—
Fourth Quarter	38.77	32.71	0.3250	—
Year 2016	$ 42.20	$ 29.46	$ 1.2600	$ —

2015	High	Low	Common Dividends Paid	Special Dividends
First Quarter	$ 40.80	$ 33.79	$ 0.2400	$ —
Second Quarter	36.26	31.65	0.2850	—
Third Quarter	33.93	30.30	0.2850	—
Fourth Quarter	36.10	31.55	0.2850	0.2100 (1)
Year 2015	$ 40.80	$ 30.30	$ 1.0950	$ 0.2100

(1) Paid on January 15, 2016 to holders of record as of December 31, 2015.

Holders

As of February 1, 2017, there were approximately 408 common shareholders of record.

Share Repurchases

For certain restricted common shares that vested during the fourth quarter of 2016 we withheld shares with value equivalent to the employees' minimum statutory obligation for the applicable income and other employment taxes, and remitted the cash to the appropriate taxing authorities. The total number of shares withheld during the fourth quarter were 333 shares and were based on the value of the restricted common shares on the vesting date as determined by our closing share price on the day prior to the vesting date.

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. On January 15, 2016, we paid a special dividend to our common shareholders of record on December 31, 2015 in order to ensure we distributed substantially all of our 2015 taxable income to our shareholders.

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.

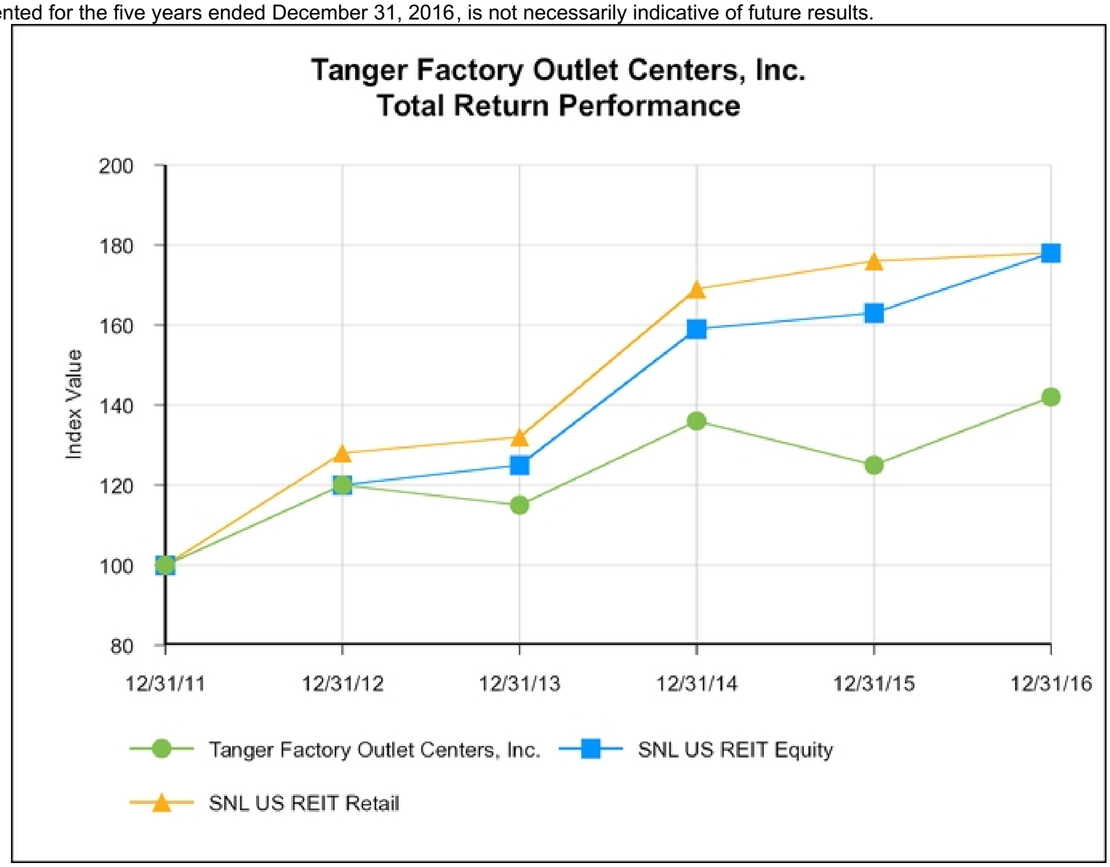
Performance Graph

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 US equity REITs and US retail REITs, both 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 SNL equity index includes all publicly traded retail REITs (including malls, shopping centers and other retail REITs) listed on the New York Stock Exchange, NYSE MKT (formerly known as the American Stock Exchange), NASDAQ National Market System or the OTC Market Group.

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, 2016, is not necessarily indicative of future results.



Index	12/31/2011	12/31/2012	12/31/2013	Period Ended 12/31/2014	12/31/2015	12/31/2016
Tanger Factory Outlet Centers, Inc.	100.00	119.80	114.99	136.36	125.24	141.98
SNL US REIT Equity	100.00	120.23	124.71	159.00	163.39	177.90
SNL US REIT Retail	100.00	128.33	132.38	169.20	176.15	177.95

Tanger Properties Limited Partnership Market Information

There is no established public trading market for the Operating Partnership's common units. As of December 31, 2016, the Company's wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust, owned 96,095,891 units of the Operating Partnership and the Non-Company LPs owned 5,027,781 units. We made distributions per common unit during 2016 and 2015 as follows:

	2016	2015
First Quarter	$ 0.285	$ 0.240
Second Quarter	0.325	0.285
Third Quarter	0.325	0.285
Fourth Quarter	0.325	0.285
Dividends per unit	$ 1.260	$ 1.095
Special dividends per unit [1]	—	0.210
Total dividends per unit	$ 1.260	$ 1.305

(1) Paid on January 15, 2016 to holders of record as of December 31, 2015.

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:

	2016	2015	2014	2013	2012
	(in thousands, except per share and outlet center data)				
OPERATING DATA					
Total revenues	$ 465,834	$ 439,369	$ 418,558	$ 384,819	$ 357,002
Operating income	151,277	144,461	131,863	127,705	109,590
Net income(1)(2)(3)(4)	204,329	222,168	78,152	113,321	56,476
Net income available to common shareholders(1)(2)(3)(4)	191,818	208,792	72,139	106,431	52,444
SHARE DATA					
Basic:					
Net income available to common shareholders(1)(2)(3)(4)	$ 2.02	$ 2.20	$ 0.77	$ 1.14	$ 0.57
Weighted average common shares	95,102	94,698	93,769	93,311	91,733
Diluted:					
Net income available to common shareholders(1)(2)(3)(4)	$ 2.01	$ 2.20	$ 0.77	$ 1.13	$ 0.57
Weighted average common shares	95,345	94,759	93,839	94,247	92,661
Common dividends (5)	$ 1.260	$ 1.305	$ 0.945	$ 0.885	$ 0.830
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 2,965,907	$ 2,513,217	$ 2,263,603	$ 2,249,819	$ 1,947,352
Total assets (6)	2,526,214	2,314,825	2,085,534	1,995,638	1,669,717
Debt (6)	1,687,866	1,551,924	1,431,068	1,317,231	1,084,454
Total equity	705,441	606,032	523,886	557,595	513,875
CASH FLOW DATA					
Cash flows provided by (used in):					
Operating activities	$ 239,316	$ 220,755	$ 188,771	$ 187,486	$ 165,750
Investing activities	(45,501)	(221,827)	(188,588)	(174,226)	(147,909)
Financing activities	(203,467)	6,854	1,977	(7,072)	(15,415)
OTHER DATA					
Square feet open:					
Consolidated	12,710	11,746	11,346	11,537	10,737
Partially-owned (unconsolidated)	2,348	2,747	2,606	1,719	2,156
Number of outlet centers:					
Consolidated	36	34	36	37	36
Partially-owned (unconsolidated)	8	9	9	7	7

(1) For the year ended December 31, 2016, income from continuing operations and net income include gains of approximately $95.5 million related to the acquisitions of our other venture partners' equity interests in the Westgate and Savannah joint ventures, a $6.3 million gain on the sale of our Fort Myers, Florida outlet center and the sale of an outparcel at our Hwy 501 outlet center in Myrtle Beach, South Carolina.

(2) For the year ended December 31, 2015, income from continuing operations and net income include gains of approximately $120.4 million from the sale of our equity interest in the Wisconsin Dells joint venture and the sale of our Kittery I & II, Tuscola, West Branch and Barstow outlet centers.

(3) For the year ended December 31, 2014, income from continuing operations and net income include a $7.5 million gain on the sale of our Lincoln City outlet center and a $13.1 million loss on early extinguishment of debt related to the early redemption of senior notes due November 2015.

(4) For the year ended December 31, 2013, income from continuing operations and net income include 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.

(5) For the year ended December 31, 2015, common dividends include a special dividend paid on January 15, 2016 to holders of record as of December 31, 2015.

(6) Adjusted for reclassification of debt issuance costs related to the adoption of ASU 2015-03. See Note 2 to the consolidated financial statements for further information.

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:

	2016	2015	2014	2013	2012
	(in thousands, except per unit and outlet center data)				
OPERATING DATA					
Total revenues	$ 465,834	$ 439,369	$ 418,558	$ 384,819	$ 357,002
Operating income	151,277	144,461	131,863	127,705	109,590
Net income[(1)(2)(3)(4)]	204,329	222,168	78,152	113,321	56,476
Net income available to common unitholders[(1)(2)(3)(4)]	202,103	220,118	76,175	112,071	55,711
UNIT DATA					
Basic:					
Net income available to common unitholders[(1)(2)(3)(4)]	$ 2.02	$ 2.21	$ 0.77	$ 1.14	$ 0.57
Weighted average common units	100,155	99,777	98,883	98,193	97,677
Diluted:					
Net income available to common unitholders[(1)(2)(3)(4)]	$ 2.01	$ 2.20	$ 0.77	$ 1.13	$ 0.57
Weighted average common units	100,398	99,838	98,953	99,129	98,605
Common distributions [(5)]	$ 1.260	$ 1.305	$ 0.945	$ 0.885	$ 0.830
BALANCE SHEET DATA					
Real estate assets, before depreciation	$ 2,965,907	$ 2,513,217	$ 2,263,603	$ 2,249,819	$ 1,947,352
Total assets [(6)]	2,525,687	2,314,154	2,083,959	1,995,132	1,669,243
Debt [(6)]	1,687,866	1,551,924	1,431,068	1,317,231	1,084,454
Total equity	705,441	606,032	523,886	557,595	513,875
CASH FLOW DATA					
Cash flows provided by (used in):					
Operating activities	$ 239,299	$ 221,818	$ 187,959	$ 187,269	$ 165,738
Investing activities	(45,501)	(221,827)	(188,588)	(174,226)	(147,909)
Financing activities	(203,467)	6,854	1,977	(7,072)	(15,415)
OTHER DATA					
Consolidated	12,710	11,746	11,346	11,537	10,737
Partially-owned (unconsolidated)	2,348	2,747	2,606	1,719	2,156
Number of outlet centers:					
Consolidated	36	34	36	37	36
Partially-owned (unconsolidated)	8	9	9	7	7

(1) For the year ended December 31, 2016, income from continuing operations and net income include gains of approximately$95.5 million related to the acquisitions of our other venture partners' equity interests in the Westgate and Savannah joint ventures, a $6.3 million gain on the sale of our Fort Myers, Florida outlet center and the sale of an outparcel at our Hwy 501 outlet center in Myrtle Beach, South Carolina .

(2) For the year ended December 31, 2015, income from continuing operations and net income include gains of approximately $120.4 million from the sale of our equity interest in the Wisconsin Dells joint venture and the sale of our Kittery I & II, Tuscola, West Branch and Barstow outlet centers.

(3) For the year ended December 31, 2014, income from continuing operations and net income include a $7.5 million gain on the sale of our Lincoln City outlet center and a $13.1 million loss on early extinguishment of debt related to the early redemption of senior notes due November 2015.

(4) For the year ended December 31, 2013, income from continuing operations and net income include 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.

(5) For the year ended December 31, 2015, common dividends include a special dividend paid on January 15, 2016 to holders of record as of December 31, 2015.

(6) Adjusted for reclassification of debt issuance costs related to the adoption of ASU 2015-03. See Note 2 to the consolidated financial statements for further information.

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.

Such forward-looking statements include, but are not limited to, statements regarding our: future issuances of equity and debt and the expected use of proceeds from such issuances; potential sales or purchases of outlet centers; anticipated results of operations, liquidity and working capital; new outlet center developments, expansions and renovations; and real estate joint ventures. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other important factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Important factors which may cause actual results to differ materially from current expectations include, but are not limited to: our inability to develop new outlet centers or expand existing outlet centers successfully; risks related to the economic performance and market value of our outlet centers; the relative illiquidity of real property investments; impairment charges affecting our properties; our dispositions of assets may not achieve anticipated results; competition for the acquisition and development of outlet centers, and our inability to complete outlet centers we have identified; environmental regulations affecting our business; risk associated with a possible terrorist activity or other acts or threats of violence and threats to public safety; our dependence on rental income from real property; our dependence on the results of operations of our retailers; the fact that certain of our properties are subject to ownership interests held by third parties, whose interests may conflict with ours; risks related to uninsured losses; the risk that consumer, travel, shopping and spending habits may change; risks associated with our Canadian investments; risks associated with attracting and retaining key personnel; risks associated with debt financing; risk associated with our guarantees of debt for, or other support we may provide to, joint venture properties; our potential failure to qualify as a REIT; our legal obligation to make distributions to our shareholders; legislative or regulatory actions that could adversely affect our shareholders; our dependence on distributions from the Operating Partnership to meet our financial obligations, including dividends; the risk of a cyber-attack or an act of cyber-terrorism and other important 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

As of December 31, 2016, we had 36 consolidated outlet centers in 22 states totaling 12.7 million square feet. We also had 8 unconsolidated outlet centers totaling 2.3 million square feet, including 4 outlet centers in Canada. The table below details our acquisitions, new developments, expansions and dispositions of consolidated and unconsolidated outlet centers that significantly impacted our results of operations and liquidity from January 1, 2014 to December 31, 2016:

Outlet Center	Quarter Acquired/Open/Disposed/Demolished	Consolidated Outlet Center Square Feet (in thousands)	Unconsolidated Joint Venture Outlet Center Square Feet (in thousands)	Number of Consolidated Outlet Centers	Number of Unconsolidated Outlet Centers
As of January 1, 2014		11,537	1,719	37	7
New Developments:					
Charlotte	Third Quarter	—	398	—	1
Ottawa	Fourth Quarter	—	288	—	1
Expansions:					
Charleston	Second Quarter	17	—	—	—
Cookstown	Fourth Quarter	—	149	—	—
Branson	Fourth Quarter	27	—	—	—
Westgate	Fourth Quarter	—	50	—	—
Park City	Fourth Quarter	21	—	—	—
Sevierville	Fourth Quarter	10	—	—	—
Disposition:					
Lincoln City	Fourth Quarter	(270)	—	(1)	—
Other		4	2	—	—
As of December 31, 2014		11,346	2,606	36	9
New Developments:					
Foxwoods	Second Quarter	312	—	1	—
Savannah	Second Quarter	—	377	—	1
Grand Rapids	Third Quarter	352	—	1	—
Southaven	Fourth Quarter	320	—	1	—
Expansions:					
Westgate	First Quarter	—	28	—	—
San Marcos	Fourth Quarter	24	—	—	—
Dispositions:					
Wisconsin Dells	First Quarter	—	(265)	—	(1)
Kittery I	Third Quarter	(52)	—	(1)	—
Kittery II	Third Quarter	(25)	—	(1)	—
Tuscola	Third Quarter	(250)	—	(1)	—
West Branch	Third Quarter	(113)	—	(1)	—
Barstow	Fourth Quarter	(171)	—	(1)	—
Other		3	1	—	—
As of December 31, 2015		11,746	2,747	34	9
New Developments:					
Columbus	Second Quarter	—	355	—	1
Daytona Beach	Fourth Quarter	349	—	1	—
Acquisition:					
Westgate	Second Quarter	408	(408)	1	(1)
Savannah	Third Quarter	419	(419)	1	(1)
Expansions:					
Ottawa	First Quarter	—	32	—	—
Savannah	Second Quarter	—	42	—	—
Dispositions:					
Fort Myers	First Quarter	(199)	—	(1)	—
Other		(13)	(1)	—	—
As of December 31, 2016		12,710	2,348	36	8

Leasing Activity

The following table provides information for our consolidated outlet centers regarding space re-leased or renewed during the years ended December 31, 2016 and 2015, respectively:

	2016 [1]					
	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Base Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Base Rent (psf) [3]
Re-tenant	124	384	$ 32.64	$ 34.69	8.75	$ 28.68
Renewal	275	1,223	26.59	0.45	4.57	26.49

	2015 [2]					
	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Base Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Base Rent (psf) [3]
Re-tenant	119	444	$ 31.48	$ 28.82	9.22	$ 28.35
Renewal	278	1,282	26.06	0.11	5.04	26.04

(1) Excludes Fort Myers outlet center, which was sold in January 2016.

(2) Excludes Kittery I & II, Tuscola, West Branch and Barstow outlet centers which were sold in 2015.

(3) Net average straight-line base 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 base rent per year amount. The average annual straight-line base 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

2016 Compared to 2015

<u>Net Income</u>

Net income decreased $17.8 million in 2016 compared to 2015 . In 2016, we recorded a $95.5 million gain on the acquisitions of our venture partners' equity interests in the Westgate and Savannah joint ventures, a $4.9 million gain on the sale of our outlet center in Fort Myers, Florida and $1.4 million gain on the sale of an outparcel at our Hwy 501 outlet center in Myrtle Beach, South Carolina. In 2015, we recorded gains totaling $120.4 million related to the sale of our equity interest in the Wisconsin Dells joint venture, and the sales of our Kittery I & II, Tuscola, West Branch and Barstow outlet centers. In addition, net income in 2016 was impacted by:

- an increase in operating income due to the opening of one new outlet center, the acquisitions of our partners' interest in two joint ventures, and the full year impact of the addition of three new consolidated centers in 2015; offset by
- a decrease in operating income due to the properties disposed of in early 2016 and 2015; and
- an increase in interest expense due to higher average borrowing levels and an increase in interest rates.

In the tables below, information set forth for new developments includes our Foxwoods, Grand Rapids, Southaven and Daytona Beach outlet centers, which opened in May 2015, July 2015, November 2015 and November 2016, respectively. Acquisitions include our Westgate and Savannah centers, which were previously held in unconsolidated joint ventures prior to our acquisitions of our venture partners' interest in each venture in June 2016 and August 2016, respectively. Properties disposed includes the Kittery I & II, Tuscola, and West Branch outlet centers sold in September 2015, the Barstow outlet center sold in October 2015 and the Fort Myers outlet center sold in January 2016.

Base Rentals
Base rentals increased $18.7 million, or 6%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of base rentals (in thousands):

	2016	2015	Increase/ (Decrease)
Base rentals from existing properties	$ 269,157	$ 263,237	$ 5,920
Base rentals from new developments	28,718	11,813	16,905
Base rentals from acquisitions	9,660	—	9,660
Base rentals from properties disposed	66	12,068	(12,002)
Termination fees	3,599	4,576	(977)
Amortization of above and below market rent adjustments, net	(2,847)	(2,006)	(841)
	$ 308,353	$ 289,688	$ 18,665

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 and multiple tenant rental step-ups.

Fees received from the early termination of leases, which are generally based on the lease term remaining at the time of termination, decreased as a result of fewer store closures throughout the portfolio in the 2016 period compared to the 2015 period.

At December 31, 2016, 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 below market liability which totaled approximately $403,000. 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 above or below market lease value would be written off and could materially impact our net income positively or negatively.

Percentage Rentals
Percentage rentals increased $1.1 million, or 10%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of percentage rentals (in thousands):

	2016	2015	Increase/ (Decrease)
Percentage rentals from existing properties	$ 9,428	$ 8,972	$ 456
Percentage rentals from new developments	844	45	799
Percentage rentals from acquisitions	759	—	759
Percentage rentals from properties disposed	190	1,140	(950)
	$ 11,221	$ 10,157	$ 1,064

Percentage rentals represents revenues based on a percentage of tenants' sales volume above their contractual break points. The increase in percentage rentals from existing properties is due to higher sales volume for certain existing tenants and also due to certain new tenants added to the existing properties whose sales exceeded their contractual break point.

Expense Reimbursements
Expense reimbursements increased $7.4 million, or 6%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of expense reimbursements (in thousands):

	2016	2015	Increase/ (Decrease)
Expense reimbursements from existing properties	$ 118,870	$ 117,290	$ 1,580
Expense reimbursements from new developments	9,931	4,005	5,926
Expense reimbursements from acquisitions	4,877	—	4,877
Expense reimbursements from properties disposed	140	5,173	(5,033)
	$ 133,818	$ 126,468	$ 7,350

Expense reimbursements represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional, advertising and management expenses. For certain tenants, we receive a fixed payment for common area maintenance ("CAM") with annual escalations. While certain expense reimbursements generally fluctuate consistently with the related expenses, our expense recoveries for CAM as a percentage of expenses were higher in 2016 compared to 2015 due to leases with fixed-CAM escalations. When not reimbursed by the fixed-CAM component, CAM expense reimbursements are based on the tenant's proportionate share of the allocable operating expenses for the property. See "Property Operating Expenses" below for a discussion of the increase in operating expenses from our existing properties.

Most, but not all, leases contain provisions requiring tenants to reimburse a share of our operating expenses as additional rent. However, substantially all of the leases for our new Foxwoods outlet center, which opened in May 2015, require tenants to pay a single minimum contractual gross rent and, in certain cases, percentage rent; thus, all minimum rents received for the Foxwoods outlet center are recorded as base rent and none are recorded to expense reimbursements.

Management, Leasing and Other Services
Management, leasing and other services decreased $1.6 million, or 29%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of management, leasing and other services (in thousands):

	2016	2015	Increase/ (Decrease)
Development and leasing	$ 651	$ 1,827	$ (1,176)
Loan guarantee	452	746	(294)
Management and marketing	2,744	2,853	(109)
	$ 3,847	$ 5,426	$ (1,579)

The decrease in management, leasing and other services is primarily due to the 2016 consolidation of both our Westgate and Savannah outlet centers due to the acquisitions of our venture partners' equity interests. This decrease was partially offset by development and leasing fees earned in 2016 from services provided to the Columbus joint venture which opened in June 2016.

Other Income
Other income increased $965,000, or 13%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of other income (in thousands):

	2016	2015	Increase/ (Decrease)
Other income from existing properties	$ 7,510	$ 6,874	$ 636
Other income from new developments	700	457	243
Other income from acquisitions	366	—	366
Other income from properties disposed	19	299	(280)
	$ 8,595	$ 7,630	$ 965

Property Operating Expenses
Property operating expenses increased $5.5 million, or 4%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2016	2015	Increase/ (Decrease)
Property operating expenses from existing properties	$ 131,928	$ 131,252	$ 676
Property operating expenses from new developments	15,761	8,610	7,151
Property operating expenses from acquisitions	4,279	—	4,279
Property operating expenses from properties disposed	49	6,641	(6,592)
	$ 152,017	$ 146,503	$ 5,514

General and Administrative Expenses
General and administrative expenses in the 2016 period increased $2.2 million, or 5% compared to the 2015 period. The 2015 period included the reversal of $731,000 of share-based compensation expense related to the October 2015 announcement that the Company's then Chief Financial Officer would retire in May 2016. In addition, the 2016 period included increased legal, consulting and other professional fees compared to the 2015 period.

Depreciation and Amortization
Depreciation and amortization increased $11.4 million, or 11%, in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of depreciation and amortization (in thousands):

	2016	2015	Increase/ (Decrease)
Depreciation and amortization expenses from existing properties	$ 93,903	$ 94,762	$ (859)
Depreciation and amortization expenses from new developments	15,455	5,902	9,553
Depreciation and amortization expenses from acquisitions	5,999	—	5,999
Depreciation and amortization from properties disposed	—	3,272	(3,272)
	$ 115,357	$ 103,936	$ 11,421

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 2016. This decrease was partially offset by additional depreciation and amortization recorded as a result of a change in the estimated useful life of assets at various centers where demolition of existing buildings occurred in conjunction with renovations and expansions.

Interest Expense
Interest expense increased $6.5 million, or 12%, in the 2016 period compared to the 2015 period, due to (1) the conversion of $525.0 million of debt with floating interest rates to higher fixed interest rates, (2) the 30-day LIBOR, which impacts the interest rate we pay on our remaining floating rate debt, increasing relative to its level in the 2015 period, and (3) the additional debt incurred related to the Westgate and Savannah acquisitions.

Gain on Sale of Assets and Interests in Unconsolidated Entities
The gain on sale of assets and interest in unconsolidated entities decreased approximately $114.1 million, or 95%, in the 2016 period compared to the 2015 period. In September 2016, we sold an outparcel at our outlet center in Myrtle Beach, South Carolina located on Highway 501 for net proceeds of approximately $2.9 million and recognized a gain of approximately $1.4 million. Also, in the first quarter of 2016, we sold our Fort Myers outlet center for approximately $25.8 million, which resulted in a gain of $4.9 million. In February 2015, we recorded a gain of approximately $13.7 million from the sale of our equity interest in the joint venture that owned the Wisconsin Dells outlet center. In September 2015, we sold our Kittery I & II, Tuscola, and West Branch outlet centers for approximately $43.3 million, which resulted in a gain of $20.2 million and in October 2015, we sold our Barstow outlet center for approximately $105.8 million, which resulted in a gain of $86.5 million.

Gain on Previously Held Interest in Acquired Joint Venture
In June 2016, we completed the purchase of our venture partner's interest in the Westgate joint venture, which owned the outlet center in Glendale, Arizona, for a total cash price of approximately $40.9 million. The purchase was funded with borrowings under our unsecured lines of credit. Prior to the transaction, we owned a 58% interest in the Westgate joint venture since its formation in 2012 and accounted for it under the equity method of accounting. As a result of acquiring the remaining interest in the Westgate joint venture, we recorded a gain of $49.3 million, which represented the difference between the carrying book value and the fair value of our previously held equity method investment in the joint venture, as a result of the significant appreciation in the property's value since the completion of its original development and opening.

In August 2016, the Savannah joint venture, which owned the outlet center in Pooler, Georgia, distributed all outparcels along with $15.0 million in cash consideration to the other partner in exchange for the partner's ownership interest. We contributed the $15.0 million in cash consideration to the joint venture, which we funded with borrowings under our unsecured lines of credit. As a result of acquiring the remaining interest in the Savannah joint venture, we recorded a gain of $46.3 million, which represented the difference between the carrying book value and the fair value of our previously held equity method investment in the Savannah joint venture, as a result of the significant appreciation in the property's value since the completion of its original development and opening in April 2015.

Equity in Earnings of Unconsolidated Joint Ventures
Equity in earnings of unconsolidated joint ventures decreased approximately $612,000 or 5% in the 2016 period compared to the 2015 period. The following table sets forth the changes in various components of equity in earnings of unconsolidated joint ventures (in thousands):

	2016	2015	Increase/ (Decrease)
Equity in earnings from existing properties	$ 6,361	$ 8,550	$ (2,189)
Equity in earnings from new developments	868	—	$ 868
Equity in earnings from properties acquired or disposed	3,643	2,934	709
	$ 10,872	$ 11,484	$ (612)

Equity in earnings from existing properties for the 2016 period includes a $2.9 million asset impairment loss representing our share of the impairment loss recorded by the joint venture that owns the Bromont outlet center in Canada. The increase in equity in earnings of unconsolidated joint ventures from new developments is due to the incremental earnings from the Columbus outlet center, which opened in June 2016. The equity in earnings from properties acquired or disposed includes our Westgate and Savannah joint ventures due to the acquisition of the venture partners' interest in June 2016 and August 2016, respectively. Equity in earnings from properties acquired or disposed in the 2015 period includes the Wisconsin Dells joint venture, which we sold in February 2015.

2015 Compared to 2014

<u>Net Income</u>
Net income increased $144.0 million in the 2015 period to $222.2 million as compared to $78.2 million for the 2014 period. The majority of this increase was due to gains from the sale of our equity interest in the Wisconsin Dells joint venture, and the sales of our Kittery I & II, Tuscola, West Branch and Barstow outlet centers, which resulted in gains totaling approximately $120.4 million. In addition, net income increased in the 2015 period primarily due to:

- incremental operating income from the opening of three new consolidated centers in 2015 and four small expansions of our consolidated properties completed since January 2014;
- the overall growth in the operating income of our existing properties;
- an increase in equity in earnings of unconsolidated joint ventures due to three new properties and two significant expansions completed within our unconsolidated joint ventures since January 2014; and
- lower interest expense incurred in the 2015 period compared to the 2014 period as a result of debt refinancings completed in 2014.

Offsetting some of the increases to net income include:

- lower operating income in 2015 due to the sale of our Lincoln City outlet center in December 2014 as well as the sales of the other outlet centers listed above in 2015; and
- lower earnings as a result of the sale of our equity interest in the Wisconsin Dells joint venture.

In the tables below, information set forth for new developments includes our Foxwoods, Grand Rapids, and Southaven outlet centers, which opened in May 2015, July 2015, and November 2015, respectively. Properties disposed includes the Lincoln City outlet center that was sold in December 2014, the Kittery I & II, Tuscola, and West Branch outlet centers sold in September 2015 and the Barstow outlet center sold in October 2015.

<u>Base Rentals</u>
Base rentals increased $15.2 million, or 6%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of base rentals (in thousands):

	2015	2014	Increase/ (Decrease)
Base rentals from existing properties	$ 266,317	$ 259,672	$ 6,645
Base rentals from new developments	11,656	—	11,656
Base rentals from properties disposed	9,145	16,253	(7,108)
Termination fees	4,576	1,310	3,266
Amortization of above and below market rent adjustments, net	(2,006)	(2,755)	749
	$ 289,688	$ 274,480	$ 15,208

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, and incremental income from the expansion of our Sevierville, Branson, Park City and San Marcos outlet centers.

Termination fees, which are generally based on the lease term remaining at the time of termination, increased in the 2015 period compared to the 2014 period as a result of certain brand-wide store closures throughout our portfolio. The 2014 period did not have any significant tenant closures.

At December 31, 2015, 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 asset totaling approximately $5.9 million. 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 above or below market lease value would be written off and could materially impact our net income positively or negatively.

Percentage Rentals
Percentage rentals decreased $150,000, or 1%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of percentage rentals (in thousands):

	2015	2014	Increase/ (Decrease)
Percentage rentals from existing properties	$ 9,111	$ 8,679	$ 432
Percentage rentals from new developments	45	—	45
Percentage rentals from properties disposed	1,001	1,628	(627)
	$ 10,157	$ 10,307	$ (150)

Percentage rentals represents revenues based on a percentage of tenants' sales volume above their contractual break points. The increase in percentage rentals from existing properties is due to higher sales volume for certain existing tenants and also due to certain new tenants added to the existing properties whose sales exceeded their contractual break point. Reported tenant comparable sales for our consolidated properties for the year ended December 31, 2015 of $395 per square foot were flat compared to the year ended December 31, 2014. 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 $3.9 million, or 3%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of expense reimbursements (in thousands):

	2015	2014	Increase/ (Decrease)
Expense reimbursements from existing properties	$ 118,434	$ 114,988	$ 3,446
Expense reimbursements from new developments	4,005	—	4,005
Expense reimbursements from properties disposed	4,029	7,544	(3,515)
	$ 126,468	$ 122,532	$ 3,936

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. See "Property Operating Expenses" below for a discussion of the increase in property operating expenses.

Most, but not all, leases contain provisions requiring tenants to reimburse a share of our operating expenses as additional rent. However, substantially all of the leases for our new Foxwoods outlet center, which opened in May 2015, require tenants to pay a single minimum contractual gross rent and, in certain cases, percentage rent. Thus, all minimum rents received for the Foxwoods outlet center are recorded as base rent and none are recorded to expense reimbursements.

Management, Leasing and Other Services
Management, leasing and other services increased $1.8 million, or 51%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of management, leasing and other services (in thousands):

	2015	2014	Increase/ (Decrease)
Development and leasing	$ 1,827	$ 725	$ 1,102
Loan guarantee	746	463	283
Management and marketing	2,853	2,403	450
	$ 5,426	$ 3,591	$ 1,835

The increase in fees recognized was due to the increase in the number of unconsolidated joint ventures for which we provide services in the 2015 period compared to the 2014 period. The majority of the increases was due to fees from the Savannah outlet center which opened in April 2015.

Other Income
Other income decreased $18,000, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of other income (in thousands):

	2015	2014	Increase/ (Decrease)
Other income from existing properties	$ 6,917	$ 7,202	$ (285)
Other income from new developments	457	—	457
Other income from properties disposed	256	446	(190)
	$ 7,630	$ 7,648	$ (18)

Property Operating Expenses
Property operating expenses increased $9.1 million, or 7%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2015	2014	Increase/ (Decrease)
Property operating expenses from existing properties	$ 132,439	$ 127,952	$ 4,487
Property operating expenses from new developments	9,242	—	9,242
Property operating expenses from properties disposed	4,822	9,470	(4,648)
	$ 146,503	$ 137,422	$ 9,081

Property operating expenses from existing properties increased due to higher snow removal costs and increased mall office operating costs, maintenance costs, and increased real estate taxes.

General and Administrative Expenses
General and administrative expenses in the 2015 period was flat when compared to the 2014 period. Increases in general and administrative expenses, including annual wage increases, the addition of new employees subsequent to January 1, 2014 and higher share-based compensation expense related to equity awards granted during 2015, were essentially offset by the reversal of $731,000 of share-based compensation expense related to the October 2015 announcement of the retirement of our Chief Financial Officer effective in 2016 and decreases in payroll taxes as the 2014 period included taxes for the significant amount of notional units that vested in December 2014.

Abandoned Pre-Development Costs
During the 2014 period, we decided to abandon two pre-development projects and as a result, we recorded a $2.4 million charge, representing the cumulative related costs.

Depreciation and Amortization
Depreciation and amortization increased $1.5 million, or 1%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of depreciation and amortization (in thousands):

	2015	2014	Increase/ (Decrease)
Depreciation and amortization expenses from existing properties	$ 95,982	$ 97,949	$ (1,967)
Depreciation and amortization expenses from new developments	5,902	—	5,902
Depreciation and amortization from properties disposed	2,052	4,483	(2,431)
	$ 103,936	$ 102,432	$ 1,504

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 decreased $3.7 million, or 6%, in the 2015 period compared to the 2014 period, due to the issuance of $250 million senior notes in November 2014 which bear an interest rate of 3.75%. The net proceeds were used in December 2014 to redeem our $250 million, 6.15% senior notes which had an original maturity of November 2015.

Loss on Early Extinguishment of Debt
In November 2014, we completed a $250 million, 3.75% senior notes offering. The net proceeds were used to redeem our $250 million, 6.15% senior notes originally due November 2015. We recorded a charge of approximately $13.1 million for the make-whole premium related to the early redemption, which was completed in December 2014.

Gain on Sale of Assets and Interests in Unconsolidated Entities
In February 2015, we sold our equity interest in the joint venture that owned the Wisconsin Dells outlet center for approximately $15.6 million , representing our share of the sales price totaling $27.7 million less our share of the outstanding debt, which totaled $12.1 million. As a result of this transaction, we recorded a gain of approximately $13.7 million in the first quarter of 2015, which represents the difference between the carrying value of our equity method investment and the net proceeds received.

In September 2015, we sold our Kittery I & II, Tuscola, and West Branch outlet centers for approximately $43.3 million, which resulted in a gain of $20.2 million and in October 2015, we sold our Barstow outlet center for approximately $105.8 million, which resulted in a gain of $86.5 million.

Equity in Earnings of Unconsolidated Joint Ventures
Equity in earnings of unconsolidated joint ventures increased approximately $2.4 million, or 27%, in the 2015 period compared to the 2014 period. The following table sets forth the changes in various components of equity in earnings of unconsolidated joint ventures (in thousands):

	2015	2014	Increase/ (Decrease)
Equity in earnings from existing properties	$ 6,618	$ 6,001	$ 617
Equity in earnings from new developments	4,708	1,621	3,087
Equity in earnings from property disposed	158	1,431	(1,273)
	$ 11,484	$ 9,053	$ 2,431

The increase in equity in earnings of unconsolidated joint ventures from new developments is due to the incremental earnings from the Charlotte outlet center, which opened during the third quarter of 2014; the Ottawa outlet center, which opened during the fourth quarter of 2014; and the Savannah outlet center, which opened in April 2015. The equity in earnings from properties disposed are related to our equity interest in the Wisconsin Dells joint venture, which we sold in February 2015.

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 2018 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, make acquisitions of properties or portfolios of properties and 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 2016 estimated taxable income to shareholders, we were required to distribute approximately $98.4 million to our shareholders in order to maintain our REIT status as described above. We distributed approximately $120.0 million during 2016, which excludes a special dividend paid in January 2016 related to the 2015 tax year, to shareholders, which exceeded 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.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant. 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 non-core 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 2016 and 2015 (in thousands):

	2016	2015	Change
Net cash provided by operating activities	$ 239,299	$ 221,818	$ 17,481
Net cash used in investing activities	(45,501)	(221,827)	176,326
Net cash (used in) provided by financing activities	(203,467)	6,854	(210,321)
Effect of foreign currency rate changes on cash and equivalents	316	(1,099)	1,415
Net increase (decrease) in cash and cash equivalents	$ (9,353)	$ 5,746	$ (15,099)

Operating Activities

In 2016, our cash provided by operating activities was positively impacted by a number of factors, including an increase in operating income as a result of the net growth in leasable square feet in our portfolio of outlet centers and an increase in distributions from our unconsolidated joint ventures.

Investing Activities

The decrease in net cash used in investing activities from 2015 to 2016 is primarily associated with the following:

- We used restricted cash of $121.3 million in 2016, which was received in 2015, to repay a portion of our $150.0 million floating rate mortgage loan, which had an original maturity date in August 2018, and our $28.4 million deferred financing obligation, both of which related to the Deer Park outlet center.
- Cash provided from asset sales decreased in 2016 compared to 2015, as proceeds from the sales of our Fort Myers outlet center and an outparcel at our outlet center in Myrtle Beach, South Carolina located on Highway 501 were lower than the proceeds from the sale of our equity interest in the Wisconsin Dells outlet center in 2015.
- Cash used for additions to rental property decreased in 2016 due to less new outlet center construction activity in 2016 as compared to 2015. The 2015 period included additions for our Foxwoods, Grand Rapids, and Southaven outlet centers, all of which opened during 2015, while the 2016 period primarily included construction at our Daytona Beach outlet center.
- Distributions in excess of earnings increased in the 2016 period due the Columbus joint venture closing on an interest-only mortgage loan of $85.0 million. The joint venture received net loan proceeds of $84.2 million and distributed them equally to the partners. Our share of the distribution was $42.1 million.
- Partially offsetting the above items were the acquisitions of our venture partners' interest in our Westgate joint venture and Savannah joint venture and fewer contributions in the 2016 period to our unconsolidated joint ventures as a result of less development activity in the 2016 period compared to the 2015 period.

Financing Activities

The increase in net cash used in financing activities from 2015 to 2016 is primarily associated with the following:

- Increase in cash distributions paid due to a special dividend that was paid in January 2016 and an increase in quarterly dividends paid to common shareholders in 2016.
- Increase in cash used for debt repayments, which included the repayments of the Deer Park $150.0 million floating rate mortgage loan, the $10.0 million unsecured note payable, the $7.5 million unsecured term note, the Westgate $62.0 million floating rate mortgage and our Savannah $98.0 million floating rate mortgage.
- Cash used for the payment of a deferred financing obligation to a former partner at Deer Park, which increased our legal ownership to 100%.
- Partially offsetting the above items was an increase in borrowings including the public offering of an aggregate $350 million of 3.125% unsecured senior notes due September 2026, netting proceeds of approximately $344.5 million and an additional $75.0 million in proceeds received from an amendment to our unsecured term loan to increase the size of the loan from $250.0 million to $325.0 million. In 2015, new borrowings for notes, mortgages, loans totaled $90.8 million and was primarily related to construction draws related to the Southaven and Foxwoods mortgages. In 2015, we also repaid the mortgages at our Hershey and Ocean City outlet centers, which totaled $46.6 million.

The following table sets forth our changes in cash flows from 2015 and 2014 (in thousands):

	2015	2014	Change
Net cash provided by operating activities	$ 221,818	$ 187,959	$ 33,859
Net cash used in investing activities	(221,827)	(188,588)	(33,239)
Net cash provided by financing activities	6,854	1,977	4,877
Effect of foreign currency rate changes on cash and equivalents	(1,099)	(526)	(573)
Net increase in cash and cash equivalents	$ 5,746	$ 822	$ 4,924

Operating Activities

In 2015, our cash provided from operating activities was positively impacted by a number of factors, including an increase in operating income throughout the consolidated portfolio from increases in base rental rates, operating income from our Foxwoods, Grand Rapids, and Memphis outlet centers which opened in May 2015, July 2015, and November 2015, respectively, four small expansions of our consolidated properties completed during 2014, and an increase in distributions received from unconsolidated joint ventures from the new centers and expansions completed in 2014.

Investing Activities

The increase in net cash used in investing activities is primarily associated with the following:

- Cash used for additions to rental property increased due to the construction of our Foxwoods, Grand Rapids, and Memphis outlet centers which opened during 2015.
- Less cash was received in 2015 compared to 2014 from unconsolidated joint ventures that represented a return of investment as the 2014 period included the distribution of $89.4 million in net loan proceeds related the Charlotte joint venture that was distributed equally to the partners.
- Cash provided from assets sales increased year over year as in 2015 we sold our equity interest in the joint venture that owned the Wisconsin Dells outlet center and five other properties compared to a sale of one property in 2014. Of the $164.6 million in proceeds received from the 2015 asset sales, approximately $121.3 million was held as restricted cash as of December 31, 2015.
- Contributions to our unconsolidated joint ventures for the property development activities was much less in 2015 compared to 2014 as one new joint venture project (Savannah) was under construction during the 2015 period compared to the construction of three new properties (Charlotte, Ottawa and Savannah) and two significant expansions (Cookstown and Westgate) in the 2014 period.

Financing Activities

The increase in cash provided by financing activities was primarily due to a decrease in the amounts paid by us on behalf of certain employees related to income taxes from shares withheld upon vesting of equity awards. The increase was offset by an increase in the quarterly dividends paid to our common shareholders.

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 acquisition or disposition 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.

Acquisition and New Development of Consolidated Outlet Centers

<u>Westgate Acquisition</u>

In June 2016, we completed the purchase of our partners' interest in the Westgate joint venture, which owned the outlet center in Glendale, Arizona, for a total cash price of approximately $40.9 million. Prior to the transaction, we owned a 58% interest in the Westgate joint venture since its formation in 2012 and accounted for it under the equity method of accounting. The former joint venture is now wholly-owned by us and was consolidated in our financial results as of June 30, 2016.

The total cash price included $39.0 million to acquire the 40% ownership interest held by the equity partner in the joint venture. We also purchased the remaining 2% noncontrolling ownership interests in the Westgate outlet center held in a consolidated partnership for a purchase price of $1.9 million. The acquisition of the noncontrolling ownership interest was recorded as an equity transaction and, as a result, the carrying balances of the noncontrolling interest were eliminated and the remaining difference between the purchase price and carrying balance was recorded as a reduction in additional-paid-in-capital. We funded the total purchase price with borrowings under our unsecured lines of credit. At the time of the acquisition, the property was subject to a $62.0 million mortgage loan, with an interest rate of LIBOR + 1.75% and a maturity in June 2017. In August 2016, we repaid the mortgage loan in full with proceeds from the public offering of $250.0 million in senior notes due 2026.

Savannah Acquisition

In August 2016, the Savannah joint venture, which owned the outlet center in Pooler, Georgia distributed all outparcels along with $15.0 million in cash consideration to the other partner in exchange for the partner's ownership interest. We contributed the $15.0 million in cash consideration to the joint venture, which we funded with borrowings under our unsecured lines of credit. At the time of acquisition, the property was subject to a $96.9 million construction loan, with an interest rate of LIBOR + 1.65%, that would have matured in May 2017. In September 2016, we repaid the mortgage loan with borrowings under our unsecured lines of credit.

The former joint venture is now wholly-owned by us and was consolidated in our financial results as of the acquisition date. Prior to this transaction, we owned a 50% legal interest in the joint venture since its formation and accounted for it under the equity method of accounting. However, due to preferred equity contributions we made to the joint venture, and the returns earned on those contributions, our estimated economic interest in the book value of the assets was approximately 98%. Therefore, substantially all of the earnings of the joint venture were previously recognized by us as equity in earnings of unconsolidated joint ventures.

Daytona Beach

In November 2016, we opened an approximately 349,000 square foot, wholly-owned, outlet center in Daytona Beach, Florida. This outlet center features over 80 brand name and designer outlet stores.

The following table summarizes our projects under development as of December 31, 2016:

Project	Approximate square feet (in 000's)	Projected Total Net Cost per Square Foot (in dollars)	Projected Total Net Cost (in millions)	Costs Incurred to Date (in millions)	Projected Opening
New development					
Fort Worth	352	$ 256	$ 90.2	$ 19.8	Holiday 2017
Expansion					
Lancaster	123	388	47.7	15.4	Q3 2017
Total	475	$ 290	$ 137.9	$ 35.2	

Fort Worth

In September 2016, we purchased land in the greater Fort Worth, Texas area for approximately $11.2 million and began construction immediately on the development of a wholly-owned outlet center. The outlet center will be located within the 279-acre Champions Circle mixed-use development adjacent to Texas Motor Speedway.

Lancaster Expansion

In July 2016, we commenced construction on a 123,000 square foot expansion of our outlet center in Lancaster, Pennsylvania.

Disposition of Properties

Fort Myers

In January 2016, we sold our outlet center in Fort Myers, Florida for net proceeds of approximately $25.8 million for a gain of $4.9 million. The proceeds from the sale of this unencumbered asset were used to pay down balances outstanding under our unsecured lines of credit.

Myrtle Beach

In September 2016, we also sold an outparcel at our outlet center in Myrtle Beach, South Carolina located on Highway 501 for net proceeds of approximately $2.9 million for a gain of $1.4 million.

New Development in Unconsolidated Real Estate Joint Ventures

From time to time, we form joint venture arrangements to develop outlet centers. See "Off-Balance Sheet Arrangements" for a discussion of unconsolidated joint venture development activities.

Other Potential Future Developments

As of the date of this filing, we are in the initial study period for potential new developments. 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 with borrowings under our unsecured lines of credit and cash flow from operations, 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.

Financing Arrangements

As of December 31, 2016, unsecured borrowings represented 90% of our outstanding debt and 88% of the gross book value of our real estate portfolio was unencumbered. As of December 31, 2016, 11% of our outstanding debt , excluding variable rate debt with interest rate protection agreements in place, had variable interest rates and therefore were subject to market fluctuations. 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 up to $1.0 billion through an accordion feature in certain circumstances. The unsecured lines of credit have an expiration date of October 24, 2019 with an option for a one year extension. The Company guarantees the Operating Partnership's obligations under these lines. As of December 31, 2016, we had $453.6 million available under our unsecured lines of credit after considering outstanding letters of credit of $5.4 million.

2016 Transactions

Deer Park Debt Repayment

In January 2016, we used restricted cash and unsecured lines of credit to repay our $150.0 million floating rate mortgage loan, which had an original maturity date in August 2018, and our $28.4 million deferred financing obligation, both of which are related to our 749,000 square foot outlet center in Deer Park, NY. These transactions allowed us to unencumber the Deer Park asset while simultaneously deferring a significant portion of the gains related to the assets sold in 2015 for tax purposes.

Unsecured Term Note Repayment

In February 2016, we repaid our $7.5 million unsecured term note, which had an original maturity date in August 2017.

Unsecured Term Loan

In April 2016, we amended our unsecured term loan to increase the size of the loan from $250.0 million to $325.0 million, extend the maturity date from February 2019 to April 2021, reduce the interest rate spread over LIBOR from 1.05% to 0.95%, and increase the incremental loan availability through an accordion feature from $150.0 million to $175.0 million.

Interest Rate Swap Agreements

In April 2016, we entered into four separate interest rate swap agreements, effective April 13, 2016 that fixed the base LIBOR rate at an average of 1.03% on notional amounts totaling $175.0 million through January 1, 2021.

Unsecured Note Payable Repayment

In June 2016, our $10.0 million unsecured note payable became due and was repaid on June 23, 2016.

Aggregate $350.0 Million Unsecured Senior Notes due 2026 and Westgate Debt Repayment

In August 2016, we completed a public offering of $250.0 million in senior notes due 2026 in an underwritten public offering. The notes were priced at 99.605% of the principal amount to yield 3.171% to maturity. In October 2016, we sold an additional $100.0 million of our senior notes due 2026. The notes priced at 98.962% of the principal amount to yield 3.248% to maturity. The notes pay interest semi-annually at a rate of 3.125% per annum and mature on September 1, 2026. The aggregate net proceeds from the offerings, after deducting the underwriting discount and offering expenses, were approximately $344.5 million. We used the net proceeds from the sale of the notes to repay a $62.0 million floating rate mortgage loan related to the outlet center in Glendale (Westgate), Arizona, repay borrowings under our unsecured lines of credit, and for general corporate purposes.

Savannah Debt Repayment

At the time of acquisition, the Savannah outlet center was subject to a $96.9 million mortgage loan, with an interest rate of LIBOR + 1.65% and maturity date in May 2017. In September 2016, we repaid the mortgage loan with borrowings under our unsecured lines of credit.

2015 Transactions

Southaven Mortgage

In April 2015, the consolidated joint venture closed on an interest only mortgage loan with the ability to borrow up to $60.0 million at an interest rate of LIBOR +1.75%. The loan initially matures on April 29, 2018, with one two-year extension option.
As of December 31, 2016 the balance on the loan was $59.3 million.

Hershey Mortgage

In May 2015, we repaid the mortgages associated with our Hershey outlet center, which were assumed as part of the acquisition of the property in 2011. The maturity date of the mortgages was August 1, 2015 and it had a principal balance at the date of extinguishment of $29.0 million.

Ocean City Mortgage

In July 2015, we repaid the mortgage associated with our Ocean City outlet center, which was assumed as part of the acquisition of the property in 2011. The maturity date of the mortgage was January 6, 2016 and had a principal balance at the date of extinguishment of $17.6 million.

Extension of Unsecured Lines of Credit

In October 2015, we closed on amendments to our unsecured lines of credit, extending the maturity and reducing our interest rate. The maturity date of these facilities was extended from October 2017 to October 2019 with the ability to further extend the maturity date for an additional year at our option. The interest rate was reduced from LIBOR + 1.00% to LIBOR + 0.90% based on our current credit rating and the maximum borrowings to which the syndicated line could be increased through an accordion feature in certain circumstances was increased from $750.0 million to $1.0 billion. Loan origination costs associated with the amendments totaled approximately $2.0 million.

2014 Transactions

Amendment of $250.0 Million Unsecured Term Loan

In July 2014, we entered into an amendment of our $250.0 million unsecured term loan which, at the time, was scheduled to mature in February 2019. The amendment reduced the interest rate on the loan from LIBOR + 1.60% to LIBOR + 1.05%. No other material terms of the loan were amended.

$250.0 Million Unsecured Senior Notes

In November 2014, Tanger Properties Limited Partnership completed a public offering of $250.0 million in senior notes due 2024 in an underwritten public offering. The notes were priced at 99.429% of the principal amount to yield 3.819% to maturity. The notes will pay interest semi-annually at a rate of 3.750% per annum and mature on December 1, 2024. The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $246.2 million. We used the net proceeds from the sale of the notes to redeem our $250.0 million 6.15% senior notes due November 2015. We recorded a charge of approximately $13.1 million for the make-whole premium related to the early redemption, which was completed in December 2014.

Foxwoods Mortgage

In December 2014, the consolidated joint venture closed on an interest only mortgage loan with the ability to borrow up to $70.3 million at an interest rate of LIBOR + 1.65%. In November 2016, the interest rate was reduced to LIBOR + 1.55% due to us reaching our debt service coverage ratio. The loan initially matures in December 2017, with two one-year extension options.

Capital Expenditures

The following table details our capital expenditures for the years ended December 31, 2016 and 2015, respectively (in thousands):

	2016	2015	Change
Capital expenditures analysis:			
New outlet center developments	$ 112,831	$ 222,111	$ (109,280)
Major outlet center renovations	17,079	1,602	15,477
Second generation tenant improvement allowances	11,307	10,414	893
Other capital expenditures	21,528	10,212	11,316
	162,745	244,339	(81,594)
Conversion from accrual to cash basis	2,315	(5,633)	7,948
Additions to rental property-cash basis	$ 165,060	$ 238,706	$ (73,646)

- New center development expenditures, which include first generation tenant allowances, during 2016 relate to construction expenditures for our Daytona Beach and Fort Worth outlet centers and an expansion at our Lancaster outlet center. During 2015, new center development expenditures included the construction of our Grand Rapids, Southaven, and Foxwoods outlet centers.
- Major center renovations during 2016 included construction activities at our Riverhead, Rehoboth Beach and Howell outlet centers.
- In 2016, other capital expenditures includes costs incurred for solar equipment at several centers in our portfolio.

Contractual Obligations and Commercial Commitments

The following table details our contractual obligations over the next five years and thereafter as of December 31, 2016 (in thousands):

Contractual Obligations	2017	2018	2019	2020	2021	Thereafter	Total
Debt (1)	$ 73,258	$ 62,460	$ 64,369	$ 303,566	$ 330,793	$ 871,552	$ 1,705,998
Interest payments (2)	61,279	58,612	57,628	45,212	33,374	100,745	356,850
Operating leases	6,709	6,334	6,237	6,217	6,258	303,509	335,264
	$ 141,246	$ 127,406	$ 128,234	$ 354,995	$ 370,425	$ 1,275,806	$ 2,398,112

(1) These amounts represent total future cash payments related to debt obligations outstanding as of December 31, 2016.

(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, 2016 was used.

In addition to the contractual payment obligations shown in the table above, we have commitments of $77.9 million remaining as of December 31, 2016 related to contracts to complete construction, development activity at outlet centers, and other capital expenditures 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 $33.7 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. Contractual commitments to complete construction and development activity related to our unconsolidated joint ventures amounted to approximately $10.1 million at December 31, 2016, of which our portion was approximately $5.0 million. In addition, commitments related to tenant allowances at our unconsolidated joint ventures totaled approximately $93,000 at December 31, 2016, of which our portion was approximately $47,000. Contractual commitments represent only those costs subject to contracts which are legal binding agreements as of December 31, 2016 and do not necessary represent the total cost to complete the projects.

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 financial covenants are contained in our senior, unsecured notes. Key financial covenants and their covenant levels, which are calculated based on contractual terms, include the following:

Senior unsecured notes financial covenants	Required	Actual
Total consolidated debt to adjusted total assets	< 60%	50%
Total secured debt to adjusted total assets	< 40%	5%
Total unencumbered assets to unsecured debt	> 150%	190%

We operate in a manner intended to enable us to qualify as a REIT under the Internal Revenue Code, or the Code. A REIT that distributes at least 90% of its taxable income to its shareholders each year and that meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. Based on our 2016 estimated taxable income to shareholders, we were required to distribute approximately $98.4 million to our shareholders in order to maintain our REIT status as described above. We distributed approximately $120.0 million, which excludes a special dividend paid in January 2016 related to the 2015 tax year, to shareholders, which exceeded 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, 2016 about various unconsolidated real estate joint ventures in which we have an ownership interest:

Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)
Columbus	Columbus, OH	50.0%	355	$ 6.7
National Harbor	National Harbor, MD	50.0%	341	4.1
RioCan Canada	Various	50.0%	901	117.3
				$ 128.1
Charlotte(1)	Charlotte, NC	50.0%	398	$ (2.5)
Galveston/Houston (1)	Texas City, TX	50.0%	353	(3.8)
				$ (6.3)

(1) The negative carrying value is due to the distributions of proceeds from mortgage loans and quarterly distributions of excess cash flow exceeding the original contributions from the partners.

Our joint ventures are generally subject to buy-sell provisions which are customary for joint venture agreements in the real estate industry. Either partner may initiate these provisions (subject to any applicable lock up period), which could result in either the sale of our interest or the use of available cash or additional borrowings to acquire the other party's interest. Under these provisions, one partner sets a price for the property, then the other partner has the option to either (1) purchase their partner's interest based on that price or (2) sell its interest to the other partner based on that price. Since the partner other than the partner who triggers the provision has the option to be the buyer or seller, we do not consider this arrangement to be a mandatory redeemable obligation.

We provide guarantees 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 guarantees include terms for release based upon satisfactory completion of construction and performance targets including occupancy thresholds and minimum debt service coverage tests. Our joint ventures may contain make whole provisions in the event that demands are made on any existing guarantees.

Charlotte

In July 2014, we opened an approximately 398,000 square foot outlet center in Charlotte, North Carolina that was developed through, and is owned by, a joint venture formed in May 2013. Construction of the outlet center, which commenced during the third quarter of 2013, was initially funded with equal equity contributions by the partners. In November 2014, the joint venture closed on an interest-only mortgage loan for $90.0 million at an interest rate of LIBOR + 1.45%. The loan initially matures in November 2018, with the option to extend the maturity for one additional year. The joint venture received net loan proceeds of $89.4 million and distributed them equally to the partners. Our partner is providing property management, marketing and leasing services to the joint venture.

Columbus

In June 2016, we opened an approximately 355,000 square foot outlet center in Columbus, Ohio. As of December 31, 2016, we and our partner had each contributed $47.5 million to fund development activities. In November 2016, the joint venture closed on an interest-only mortgage loan of $85.0 million at an interest rate of LIBOR + 1.65%. The loan initially matures in November 2019, with two one-year extension options. The joint venture received net loan proceeds of $84.2 million and distributed them equally to the partners. We are providing property management, marketing and leasing services to the joint venture. During construction, our partner provided development services to the joint venture and we, along with our partner, provided joint leasing services.

Galveston/Houston

In October 2012, we opened an approximately 353,000 square foot outlet center in Texas City, Texas that was developed through, and is owned by, a joint venture formed in June 2011. 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 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 net proceeds equally to the partners. We used our share of the proceeds to reduce amounts outstanding under our unsecured lines of credit. We are providing property management, marketing and leasing services to the outlet center.

National Harbor

In November 2013, we opened an approximately 341,000 square foot outlet center at National Harbor in the Washington, D.C. Metro area that was developed through, and is owned by, a joint venture formed in May 2011. In November 2014, the joint venture amended the initial construction loan to increase the amount available to borrow from $62.0 million to $87.0 million and extended the maturity date until November 2019. The loan carries an interest rate of LIBOR + 1.65%. At the closing of the amendment, the joint venture distributed approximately $19.0 million equally between the partners. The loan balance as of December 31, 2016 was approximately $87.0 million. We are providing property management, marketing and leasing services to the joint venture.

RioCan Canada

We have a 50/50 co-ownership agreement with RioCan Real Estate Investment Trust to develop and acquire outlet centers in Canada. Under the agreement, any outlet centers developed or acquired will be branded as Tanger Outlet Centers. We have agreed to provide leasing and marketing services for the outlet centers and RioCan has agreed to provide development and property management services.

In October 2014, the co-owners opened Tanger Outlets Ottawa, the first ground up development of a Tanger Outlet Center in Canada. In March 2016, the co-owners opened an approximately 28,000 square foot expansion related to an anchor tenant bringing the total square feet of the outlet center to approximately 316,000 square feet. In 2016, the co-owners commenced construction on a 40,000 square foot expansion, which is expected to open during the second quarter of 2017.

In November 2014, the co-owners opened an approximately 149,000 square foot expansion to the existing Cookstown Outlet Mall, bringing the total square feet of the outlet center to approximately 308,000 square feet.

Other properties owned by the RioCan Canada co-owners include Les Factoreries Saint-Sauveur and Bromont Outlet Mall. Les Factoreries Saint-Sauveur is approximately 116,000 square feet and the Bromont Outlet Mall is approximately 161,000 square feet.

Rental property held and used by our joint ventures are reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, the estimated future undiscounted cash flows associated with the asset is compared to the asset's carrying amount, and if less than such carrying amount, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value.

During 2016, the joint venture determined for its Bromont, Quebec outlet center that the estimated future undiscounted cash flows of that property did not exceed the property's carrying value based on the reduction in the property's net operating income. Therefore, the joint venture recorded a $5.8 million non-cash impairment charge in its statement of operations, which equaled the excess of the property's carrying value over its fair value. The fair value was determined using the income approach whereby the joint venture considered the prevailing market income capitalization rates and stabilized net operating income projections. Our share of this impairment charge, $2.9 million, was recorded in equity in earnings of unconsolidated joint ventures in our consolidated statement of operations.

Savannah

In May 2016, we expanded our outlet center in Savannah by approximately 42,000 square feet, bringing the outlet center's total gross leasable area to approximately 419,000 square feet.

We acquired our partners' interest in the Savannah joint venture in August 2016 and have consolidated the property for financial reporting purposes since the acquisition date.

Westgate

We acquired our partners' interest in the Westgate joint venture in June 2016 and have consolidated the property for financial reporting purposes since the acquisition date.

Wisconsin Dells

In February 2015, we sold our equity interest in the joint venture that owned the outlet center located in Wisconsin Dells, Wisconsin for approximately $15.6 million, representing our share of the sales price totaling $27.7 million less our share of the outstanding debt, which totaled $12.1 million. As a result of this transaction, we recorded a gain of approximately $13.7 million in the first quarter of 2015, which represented the difference between the carrying value of our equity method investment and the net proceeds received.

The following table details information regarding the outstanding debt of the unconsolidated joint ventures and guarantees of such debt provided by us as of December 31, 2016 (dollars in millions):

Joint Venture	Total Joint Venture Debt	Maturity Date	Interest Rate	Percent Guaranteed by the Company	Maximum Guaranteed Amount by the Company
Charlotte	$ 90.0	November 2018	LIBOR + 1.45%	5.0%	$ 4.5
Columbus	85.0	November 2019	LIBOR + 1.65%	10.0%	8.5
Galveston/Houston	65.0	July 2017	LIBOR + 1.50%	5.0%	3.3
National Harbor (1)	87.0	November 2019	LIBOR + 1.65%	10.0%	8.7
RioCan Canada (2)	11.1	May 2020	5.75%	27.0%	3.0
Debt origination costs	(2.1)				
	$ 336.0				$ 28.0

(1) 100% completion guaranty; 10% principal guaranty.

(2) The joint venture debt amount includes premium recorded upon assumption of the debt during acquisition of approximately $482,000.

Fees we received for various services provided to our unconsolidated joint ventures during 2016, 2015 and 2014, which we believe approximate current market rates, were recognized as follows (in thousands):

	Year Ended December 31, 2016	2015	2014
Fees:			
Development and leasing	$ 651	$ 1,827	$ 725
Loan guarantee	452	746	463
Management and marketing	2,744	2,853	2,403
Total Fees	$ 3,847	$ 5,426	$ 3,591

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 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.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant.

We consolidate properties that are wholly owned or properties where we own less than 100% but we control. Control is determined using an evaluation based on accounting standards related to the consolidation of voting interest entities and variable interest entities ("VIE"). For joint ventures that are determined to be a VIE, we consolidate the entity where we are deemed to be the primary beneficiary. Determination of the primary beneficiary is based on whether an entity has (1) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (2) 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. Our determination of the primary beneficiary considers 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.

Investments in real estate joint ventures that we do not control but may exercise significant influence on are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our equity in the venture's net income or loss, cash contributions, distributions and other adjustments required under the equity method of accounting.

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 costs incurred for the construction and development of properties, including interest, real estate taxes and salaries and related costs associated with employees directly involved. Capitalization of costs commences at the time the development of the property becomes probable and ceases when the property is substantially completed and ready for its intended use. We consider a construction project as substantially completed and ready for its intended use upon the completion of tenant improvements. We cease capitalization on the portion that is substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portion under construction. The amount of salaries and related costs capitalized for the construction and development of properties is based on our estimate of the amount of costs directly related to the construction or development of these assets. 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. This includes interest incurred on funds invested in or advanced to unconsolidated joint ventures with qualifying development activities.

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 includes amounts paid to third-party brokers and salaries and related costs of employees directly involved in originating leases. The amount of salaries and related costs capitalized is based on our estimate of the time and amount of costs directly related to originating leases.

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 than such carrying amount, 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. Fair value is determined using an income approach whereby we consider the prevailing market income capitalization rates and stabilized net operating income projections. We recognized no impairment losses for our consolidated properties during the years ended December 31, 2016, 2015, and 2014, respectively. See Note 6 to the consolidated financial statements, for discussion of the impairment of our unconsolidated joint venture at the Bromont, Quebec outlet center during 2016.

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, estimated hold period, terminal capitalization rates, 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.

New Accounting Pronouncements

See Note 2 to the consolidated financial statements for information on new accounting pronouncements issued.

NON-GAAP SUPPLEMENTAL MEASURES

Funds From Operations

Funds From Operations ("FFO") is a widely used measure of the operating performance for real estate companies that supplements net income (loss) determined in accordance with GAAP. We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT"), of which we are a member. FFO represents net income (loss) (computed in accordance with GAAP) before extraordinary items and gains (losses) on sale or disposal of depreciable operating properties, plus depreciation and amortization of real estate assets, 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 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 of real estate assets, 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. In addition, a portion of cash bonus compensation to certain members of management is based on our FFO or Adjusted Funds From Operations ("AFFO"), which is described in the section below. We believe it is useful for investors to have enhanced transparency into how we evaluate our performance and that of our management. In addition, FFO 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 also widely used by us and others in our industry to evaluate and price potential acquisition candidates. NAREIT has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating 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 as a supplemental measure.

Adjusted Funds From Operations

We present 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 believe it is useful for investors to have enhanced transparency into how we evaluate management's performance and the effectiveness of our business strategies. We use AFFO when certain material, unplanned transactions occur as a factor in evaluating management's performance and to evaluate the effectiveness of our business strategies, and may use AFFO when determining incentive compensation.

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 as a supplemental measure.

Below is a reconciliation of net income to FFO available to common shareholders and AFFO available to common shareholders (in thousands, except per share amounts): (1)

	2016	2015	2014
Net income	$ 204,329	$ 222,168	$ 78,152
Adjusted for:			
Depreciation and amortization of real estate assets - consolidated	113,645	102,515	100,961
Depreciation and amortization of real estate assets - unconsolidated joint ventures	18,910	20,053	12,212
Impairment charges - unconsolidated joint ventures	2,919	—	—
Gain on sale of assets and interests in unconsolidated entities	(4,887)	(120,447)	(7,513)
Gain on previously held interests in acquired joint ventures	(95,516)	—	—
FFO	239,400	224,289	183,812
FFO attributable to noncontrolling interests in other consolidated partnerships	(348)	268	(185)
Allocation of earnings to participating securities	(2,192)	(2,408)	(3,653)
FFO available to common shareholders (1)	$ 236,860	$ 222,149	$ 179,974
As further adjusted for:			
Compensation related to director and executive officer terminations (2)	1,180	(731)	7
Acquisition costs	487	—	2,365
Demolition costs	441	—	—
Casualty gain	—	—	(486)
Gain on early extinguishment of debt	—	—	13,140
Gain on sale of outparcel	(1,418)	—	—
Write-off of debt discount due to repayment of debt prior to maturity(3)	882	—	—
Impact of above adjustments to the allocation of earnings to participating securities	(15)	8	(302)
AFFO adjustments from unconsolidated joint ventures	—	—	237
AFFO available to common shareholders (1)	$ 238,417	$ 221,426	$ 194,935
FFO available to common shareholders per share - diluted(1)	$ 2.36	$ 2.23	$ 1.82
AFFO available to common shareholders per share - diluted(1)	$ 2.37	$ 2.22	$ 1.97
Weighted Average Shares:			
Basic weighted average common shares	95,102	94,698	93,769
Effect of notional units	175	—	—
Effect of outstanding options and restricted common shares	68	61	70
Diluted weighted average common shares (for earnings per share computations)	95,345	94,759	93,839
Exchangeable operating partnership units	5,053	5,079	5,115
Diluted weighted average common shares (for FFO and AFFO per share computations)(1)	100,398	99,838	98,954

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests 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.

(2) For the year ended December 31, 2016, represents cash severance and accelerated vesting of restricted shares associated with the departure of an officer in August 2016 and the accelerated vesting of restricted shares due to the death of a director in February 2016. For the year ended December 31, 2015, represents the reversal of certain share-based compensation awards previously recognized on awards not expected to vest due to the announcement that the Company's then Chief Financial Officer would retire in May 2016.

(3) Due to the January 28, 2016 early repayment of the $150 million mortgage secured by the Deer Park, New York property, which was scheduled to mature August 30, 2018.

Portfolio Net Operating Income and Same Center NOI

We present portfolio net operating income ("Portfolio NOI") and Same Center NOI as supplemental measures of our operating performance. Portfolio NOI represents our property level net operating income which is defined as total operating revenues less property operating expenses and excludes termination fees and non-cash adjustments including straight-line rent, net above and below market rent amortization and gains or losses on the sale of outparcels recognized during the periods presented. We define Same Center NOI as Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired or subject to a material expansion or non-recurring event, such as a natural disaster, during the comparable reporting periods.

We believe Portfolio NOI and Same Center NOI are non-GAAP metrics used by industry analysts, investors and management to measure the operating performance of our properties because they provide performance measures directly related to the revenues and expenses involved in owning and operating real estate assets and provide a perspective not immediately apparent from net income, FFO or AFFO. Because Same Center NOI excludes properties developed, redeveloped, acquired and sold; as well as non-cash adjustments, gains or losses on the sale of outparcels and termination rents; 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 Portfolio NOI and Same Center NOI, and accordingly, our Portfolio NOI and Same Center NOI may not be comparable to other REITs.

Portfolio NOI and Same Center NOI should not be considered alternatives to net income (loss) or as an indicator of our financial performance since they do not reflect the entire operations of our portfolio, nor do they reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. Because of these limitations, Portfolio NOI and Same Center NOI should not be viewed in isolation to 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 Portfolio NOI and Same Center NOI only as supplemental measures.

Below is a reconciliation of net income to Portfolio NOI and Same Center NOI for the consolidated portfolio (in thousands):

	2016	2015
Net income	$ 204,329	$ 222,168
Adjusted to exclude:		
Equity in earnings of unconsolidated joint ventures	(10,872)	(11,484)
Interest expense	60,669	54,188
Gain on sale of assets and interests in unconsolidated entities	(6,305)	(120,447)
Gain on previously held interests in acquired joint ventures	(95,516)	—
Other non-operating (income) expense	(1,028)	36
Depreciation and amortization	115,357	103,936
Other non-property (income) expenses	(23)	(1,317)
Acquisition costs	487	—
Demolition Costs	441	—
Corporate general and administrative expenses	46,012	43,966
Non-cash adjustments (1)	(3,613)	(3,792)
Termination rents	(3,599)	(4,576)
Portfolio NOI	306,339	282,678
Non-same center NOI (2)	(33,152)	(18,340)
Same Center NOI	$ 273,187	$ 264,338

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

(2) Excluded from Same Center NOI:

Outlet centers opened:		Outlet centers sold:		Outlet centers acquired:	
Daytona Beach	November 2016	Kittery I & II	September 2015	Glendale (Westgate)	June 2016
Foxwoods	May 2015	Tuscola	September 2015	Savannah	August 2016
Grand Rapids	July 2015	West Branch	September 2015		
Southaven	November 2015	Barstow	October 2015		
		Fort Myers	January 2016		

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 2016, approximately 1.4 million square feet, or 12%, of our then owned, consolidated portfolio came up for renewal and 1.6 million square feet, or 13%, of our current consolidated portfolio will come up for renewal in 2017. During 2016, we renewed 85% of the square feet that came up for renewal with the existing tenants at an 18% increase in the average base rental rate compared to the expiring rate. We also re-tenanted 384,000 square feet at a 27% 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 and Canada, we reduce our operating and leasing risks. No one tenant (including affiliates) accounts for more than 7.6% of our square feet or 6.2% 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, 2016 and 2015, occupancy at our consolidated outlet centers was 98% and 97%, respectively.

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. Cash flows received from our Canadian joint ventures are either reinvested to fund ongoing Canadian development activity, if applicable, or converted to US dollars and utilized to repay amounts outstanding under our unsecured lines of credit. 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 April 2016, we entered into four separate interest rate swap agreements, effective April 13, 2016 that fix the base LIBOR rate at an average of 1.03% on notional amounts totaling $175.0 million through January 1, 2021. In addition, in October 2013, we entered into interest rate swap agreements with notional amounts totaling $150.0 million to reduce our floating rate debt exposure. The interest rate swap agreements fix the base LIBOR rate at an average of 1.30% and mature in 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. As of December 31, 2016, the fair value of these contracts is an asset of $4.0 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, 2016, 11% of our outstanding debt, excluding variable rate debt with interest rate protection agreements in place, had variable interest rates and therefore were subject to market fluctuations. An increase in the LIBOR index of 100 basis points would result in an increase of approximately $1.9 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 and recorded value of our debt consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit were as follows (in thousands):

	December 31, 2016	December 31, 2015
Fair value of debt	$ 1,704,644	$ 1,615,833
Recorded value of debt	$ 1,687,866	$ 1,551,924

A 100 basis point increase from prevailing interest rates at December 31, 2016 and December 31, 2015 would result in a decrease in fair value of total debt of approximately $69.1 million and $50.3 million, respectively. Refer to Note 12 to the consolidated financial statements for a description of our methodology in calculating the estimated fair value of debt. Considerable judgment is necessary to develop estimated fair values of financial instruments. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on the disposition of the financial instruments.

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

The information required by this Item 9 was previously reported in the Company's and the Operating Partnership's Current Report on Form 8-K and Form 8-K/A amending such Form 8-K that was filed with the Securities and Exchange Commission on September 11, 2015 and March 2, 2016, respectively.

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, James F. Williams (Principal Financial Officer), evaluated the effectiveness of the Company's disclosure controls and procedures on December 31, 2016 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 or submits 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, 2016 based on the criteria established in a report entitled Internal Control-Integrated Framework (2013), 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, 2016.

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, 2016 has been audited by Deloitte & Touche 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, 2016 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, James F. Williams (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, 2016 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 or submits 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, 2016 based on the criteria established in a report entitled Internal Control-Integrated Framework (2013), 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, 2016.

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, 2016 has been audited by Deloitte & Touche 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, 2016 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 2016 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 2017 Annual Meeting of Shareholders.

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 2017 Annual Meeting of Shareholders.

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 2017 Annual Meeting of Shareholders. 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 2017 Annual Meeting of Shareholders.

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 2017 Annual Meeting of Shareholders.

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 2017 Annual Meeting of Shareholders.

The table below provides information as of December 31, 2016 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	1,055,255	$ 30.46	2,082,992
Equity compensation plans not approved by security holders	—	—	—
Total	1,055,255	$ 30.46	2,082,992

(1) Includes (a) 242,200 common shares issuable upon the exercise of outstanding options (115,600 of which are vested and exercisable), (b) 184,455 restricted common shares to be issued in January 2017 that were earned under the 2014 Outperformance Plan (the "2014 OPP"), (c) 259,160 restricted common shares that may be issued under the 2015 Outperformance Plan (the "2015 OPP") upon the satisfaction of certain conditions, and (d) 315,561 restricted common shares that may be issued under the 2016 Outperformance Plan (the "2016 OPP") upon the satisfaction of certain conditions Because there is no exercise price associated with the 2014, 2015 and 2016 OPP awards, such restricted common shares are not included in the weighted average exercise price calculation.

(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, restricted share units, performance awards, dividend equivalents, deferred shares, deferred share units, share payments profit interests, and share appreciation rights.

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 2017 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

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 2017 Annual Meeting of Shareholders.

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 Quarterly 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 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.)
4.1B	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.)
4.1C	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.)
4.1D	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.)

4.1E	Form of Ninth Supplemental Indenture (to Senior Indenture) dated November 21, 2014. (Incorporated by reference to exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated November 21, 2014.)
4.1F	Tenth Supplemental Indenture (Supplement to Indenture dated as of March 1, 1996) dated August 8, 2016. (Incorporated by reference to Exhibit 4.1 filed with the Company's and Operating Partnership's Report on Form 8-K dated August 8, 2016).
4.1G	First Amendment to Tenth Supplemental Indenture dated October 13, 2016. (Incorporated by reference to Exhibit 4.1 filed with the Company's and Operating Partnership's Report on Form 8-K dated October 13, 2016).
10.1 *	Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (Amended and Restated as of April 4, 2014) (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, 2014.)
10.2 *	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.)
10.3 *	Amended and Restated Employment Agreement of Steven B. Tanger dated December 14, 2016 (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated December 19, 2016.)
10.4 *	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.)
10.5 *	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.)
10.6 *	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.)
10.7 *	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.)
10.8 *	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.)
10.9 *	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.)
10.10 *	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.)
10.11 *	Employment Agreement for Charles A. Worsham, dated July 17, 2014. (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, 2014.)
10.12	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.)
10.12A	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.)

10.12B	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.)
10.12C	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.)
10.12D	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.)
10.12E	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.)
10.13	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.)
10.14	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.)
10.15	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.)
10.16	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.)
10.17	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.)
10.18 *	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.)
10.19 *	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.)
10.19A *	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.)
10.20 *	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.)
10.21 *	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.)
10.22 *	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.)
10.23 *	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.)

10.24*	Form of 2014 Outperformance Plan Notional Unit Award agreement. (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, 2014.)
10.25*	Form of 2015 Outperformance Plan Notional Unit Award agreement. (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, 2015.)
10.26*	Form of 2016 Outperformance Plan Notional Unit Award agreement. (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, 2016, filed May 4, 2016.)
10.27 *	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.)
10.28	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.)
10.29	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. (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, 2013.)
10.30	Second Amended and Restated Credit Agreement, dated as of October 29, 2015 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 Thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated, 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, Branch Banking and Trust Company, as Documentation Agent, PNC Bank, National Association as Document Agent, and Regions Bank as Managing Agent (Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K dated February 23, 2016).
10.31	Amended and Restated Term Loan Agreement dated October 29, 2015 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, and the other lenders party thereto. (Incorporated by reference to the exhibits to the Company's and Operating Partnership's Current Report on Form 8-K dated April 15, 2016.)
10.32	First Amendment to Amended and Restated Term Loan Agreement dated as of April 13, 2016 between Tanger Properties Limited Partnership and Wells Fargo Bank, National Association, as Administrative Agent, and the lenders party thereto (Incorporated by reference to the exhibits to the Company’s Form 8-K dated April 15, 2016).

10.33	Letter Agreements between the Company and Jack Africk dated February 6, 2014 and May 16, 2014. (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, 2014.)
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 Deloitte & Touche LLP.
23.2	Consent of Deloitte & Touche LLP.
23.3	Consent of PricewaterhouseCoopers LLP.
23.4	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, 2016, 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.

ITEM 16. FORM 10-K SUMMARY

N/A

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

February 23, 2017

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/ Thomas J. Reddin Thomas J. Reddin	Non-Executive Chairman of the Board of Directors	February 23, 2017
/s/ Steven B. Tanger Steven B. Tanger	Director, President and Chief Executive Officer (Principal Executive Officer)	February 23, 2017
/s/ James F. Williams James F. Williams	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 23, 2017
/s/ William G. Benton William G. Benton	Director	February 23, 2017
/s/ Jeffrey B. Citrin Jeffrey B. Citrin	Director	February 23, 2017
/s/ David B. Henry David B. Henry	Director	February 23, 2017
/s/ Thomas E. Robinson Thomas E. Robinson	Director	February 23, 2017
/s/ Bridget M. Ryan-Berman Bridget M. Ryan-Berman	Director	February 23, 2017
/s/ Allan L. Schuman Allan L. Schuman	Director	February 23, 2017

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

February 23, 2017

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)	February 23, 2017
/s/ James F. Williams James F. Williams	Vice President and Treasurer (Principal Financial and Accounting Officer)	February 23, 2017
/s/ William G. Benton William G. Benton	Trustee	February 23, 2017
/s/ Jeffrey B. Citrin Jeffrey B. Citrin	Trustee	February 23, 2017
/s/ David B. Henry David B. Henry	Trustee	February 23, 2017
/s/ Thomas J. Reddin Thomas J. Reddin	Trustee	February 23, 2017
/s/ Thomas E. Robinson Thomas E. Robinson	Trustee	February 23, 2017
/s/ Bridget M. Ryan-Berman Bridget M. Ryan-Berman	Trustee	February 23, 2017
/s/ Allan L. Schuman Allan L. Schuman	Trustee	February 23, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Tanger Factory Outlet Centers, Inc.
Greensboro, North Carolina

We have audited the accompanying consolidated balance sheet of Tanger Factory Outlet Centers, Inc. and subsidiaries (the “Company”) as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, shareholders’ equity, and cash flows for the year ended December 31, 2016. Our audit also included the financial statement schedule listed in the Index at item 15(a)(2). We also have audited the Company's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedule, 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 an opinion on these financial statements and financial statement schedule and an opinion on the Company's internal control over financial reporting based on our 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 audit 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 audit 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 by, or under the supervision of, the company's principal executive and principal financial officers, 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. A company's internal control over financial reporting includes 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.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tanger Factory Outlet Centers, Inc. and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP
Charlotte, North Carolina
February 23, 2017

Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated balance sheet as of December 31, 2015 and the related consolidated statements of operations, of comprehensive income, of shareholders’ equity and of cash flows for each of the two years in the period ended December 31, 2015 present fairly, in all material respects, the financial position of Tanger Factory Outlet Centers, Inc. and its subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules for each of the two years in the period ended December 31, 2015 present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Charlotte, NC
February 23, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and the General Partner of
Tanger Properties Limited Partnership
Greensboro, North Carolina

We have audited the accompanying consolidated balance sheet of Tanger Properties Limited Partnership and subsidiaries (the "Operating Partnership") as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the year ended December 31, 2016. Our audit also included the financial statement schedule listed in the Index at item 15(a)(2). We also have audited the Operating Partnership's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Operating Partnership's management is responsible for these financial statements and financial statement schedule, 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 an opinion on these financial statements and financial statement schedule and an opinion on the Operating Partnership's internal control over financial reporting based on our 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 audit 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 audit 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 by, or under the supervision of, the company's principal executive and principal financial officers, 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. A company's internal control over financial reporting includes 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.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tanger Properties Limited Partnership and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also, in our opinion, the Operating Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP
Charlotte, North Carolina
February 23, 2017

Report of Independent Registered Public Accounting Firm

To the Partner of Tanger Properties Limited Partnership:

In our opinion, the consolidated balance sheet as of December 31, 2015 and the related consolidated statements of operations, of comprehensive income, of shareholders' equity and of cash flows for each of the two years in the period ended December 31, 2015 present fairly, in all material respects, the financial position of Tanger Properties Limited Partnership and its subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules for each of the two years in the period ended December 31, 2015 present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Charlotte, NC
February 23, 2017

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

	December 31, 2016	December 31, 2015
Assets		
Rental property:		
Land	$ 272,153	$ 240,267
Buildings, improvements and fixtures	2,647,477	2,249,417
Construction in progress	46,277	23,533
	2,965,907	2,513,217
Accumulated depreciation	(814,583)	(748,341)
Total rental property, net	2,151,324	1,764,876
Cash and cash equivalents	12,222	21,558
Restricted cash	—	121,306
Investments in unconsolidated joint ventures	128,104	201,083
Deferred lease costs and other intangibles, net	151,579	127,089
Prepaids and other assets	82,985	78,913
Total assets	$ 2,526,214	$ 2,314,825
Liabilities and Equity		
Liabilities		
Debt:		
Senior, unsecured notes, net	$ 1,135,309	$ 789,285
Unsecured term loans, net	322,410	265,832
Mortgages payable, net	172,145	310,587
Unsecured lines of credit, net	58,002	186,220
Total debt	1,687,866	1,551,924
Accounts payable and accrued expenses	78,143	97,396
Deferred financing obligation	—	28,388
Other liabilities	54,764	31,085
Total liabilities	1,820,773	1,708,793
Commitments and contingencies (Note 23)		
Equity		
Tanger Factory Outlet Centers, Inc.:		
Common shares, $.01 par value, 300,000,000 shares authorized, 96,095,891 and 95,880,825 shares issued and outstanding at December 31, 2016 and 2015, respectively	961	959
Paid in capital	820,251	806,379
Accumulated distributions in excess of net income	(122,701)	(195,486)
Accumulated other comprehensive loss	(28,295)	(36,715)
Equity attributable to Tanger Factory Outlet Centers, Inc.	670,216	575,137
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	35,066	30,309
Noncontrolling interests in other consolidated partnerships	159	586
Total equity	705,441	606,032
Total liabilities and equity	$ 2,526,214	$ 2,314,825

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, 2016	2015	2014
Revenues:			
Base rentals	$ 308,353	$ 289,688	$ 274,480
Percentage rentals	11,221	10,157	10,307
Expense reimbursements	133,818	126,468	122,532
Management, leasing and other services	3,847	5,426	3,591
Other income	8,595	7,630	7,648
Total revenues	465,834	439,369	418,558
Expenses:			
Property operating	152,017	146,503	137,422
General and administrative	46,696	44,469	44,469
Acquisition costs	487	—	7
Abandoned pre-development costs	—	—	2,365
Depreciation and amortization	115,357	103,936	102,432
Total expenses	314,557	294,908	286,695
Operating income	151,277	144,461	131,863
Other income (expense):			
Interest expense	(60,669)	(54,188)	(57,931)
Loss on early extinguishment of debt	—	—	(13,140)
Gain on sale of assets and interests in unconsolidated entities	6,305	120,447	7,513
Gain on previously held interest in acquired joint ventures	95,516	—	—
Other non-operating income (expense)	1,028	(36)	794
Income before equity in earnings of unconsolidated joint ventures	193,457	210,684	69,099
Equity in earnings of unconsolidated joint ventures	10,872	11,484	9,053
Net income	204,329	222,168	78,152
Noncontrolling interests in Operating Partnership	(10,287)	(11,331)	(4,037)
Noncontrolling interests in other consolidated partnerships	(298)	363	(104)
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 193,744	$ 211,200	$ 74,011
Basic earnings per common share:			
Net income	$ 2.02	$ 2.20	$ 0.77
Diluted earnings per common share:			
Net income	$ 2.01	$ 2.20	$ 0.77

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,		
	2016	2015	2014
Net income	$ 204,329	$ 222,168	$ 78,152
Other comprehensive income (loss):			
Foreign currency translation adjustments	4,259	(23,200)	(10,042)
Change in fair value of cash flow hedges	4,609	(711)	(2,028)
Other comprehensive income (loss)	8,868	(23,911)	(12,070)
Comprehensive income	213,197	198,257	66,082
Comprehensive income attributable to noncontrolling interests	(11,033)	(9,749)	(3,666)
Comprehensive income attributable to Tanger Factory Outlet Centers, Inc.	$ 202,164	$ 188,508	$ 62,416

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	Accumulated 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, 2013	$ 945	$ 788,984	$ (265,242)	$ (2,428)	$ 522,259	$ 28,432	$ 6,904	$ 557,595
Net income	—	—	74,011	—	74,011	4,037	104	78,152
Other comprehensive loss	—	—	—	(11,595)	(11,595)	(475)	—	(12,070)
Compensation under Incentive Award Plan	—	15,459	—	—	15,459	—	—	15,459
Issuance of 47,000 common shares upon exercise of options	—	903	—	—	903	—	—	903
Grant of 1,302,729 restricted common shares, net of forfeitures	13	(13)	—	—	—	—	—	—
Withholding of 412,239 common shares for employee income taxes	(4)	(15,516)	—	—	(15,520)	—	—	(15,520)
Adjustment for noncontrolling interests in Operating Partnership	—	741	—	—	741	(741)	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	1,009	—	—	1,009	—	(5)	1,004
Acquisition of noncontrolling interests in other consolidated partnerships	—	—	—	—	—	—	(6,226)	(6,226)
Exchange of 66,606 Operating Partnership units for 66,606 common shares	1	(1)	—	—	—	—	—	—
Common dividends ($.945 per share)	—	—	(90,448)	—	(90,448)	—	—	(90,448)
Distributions to noncontrolling interests in Operating Partnership	—	—	—	—	—	(4,836)	(127)	(4,963)
Balance, December 31, 2014	$ 955	$ 791,566	$ (281,679)	$ (14,023)	$ 496,819	$ 26,417	$ 650	$ 523,886

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	Accumulated 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, 2014	$ 955	$ 791,566	$ (281,679)	$ (14,023)	$ 496,819	$ 26,417	$ 650	$ 523,886
Net income	—	—	211,200	—	211,200	11,331	(363)	222,168
Other comprehensive loss	—	—	—	(22,692)	(22,692)	(1,219)	—	(23,911)
Compensation under Incentive Award Plan	—	15,550	—	—	15,550	—	—	15,550
Issuance of 28,400 common shares upon exercise of options	—	788	—	—	788	—	—	788
Grant of 348,844 restricted common shares, net of forfeitures	4	(4)	—	—	—	—	—	—
Withholding of 31,863 common shares for employee income taxes	—	(1,125)	—	—	(1,125)	—	—	(1,125)
Contributions from noncontrolling interests	—	—	—	—	—	—	461	461
Adjustment for noncontrolling interests in Operating Partnership	—	(402)	—	—	(402)	402	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	6	—	—	6	—	(6)	—
Exchange of 25,663 Operating Partnership units for 25,663 common shares	—	—	—	—	—	—	—	—
Common dividends ($1.305 per share)	—	—	(125,007)	—	(125,007)	—	—	(125,007)
Distributions to noncontrolling interests in Operating Partnership	—	—	—	—	—	(6,622)	(156)	(6,778)
Balance, December 31, 2015	$ 959	$ 806,379	$ (195,486)	$ (36,715)	$ 575,137	$ 30,309	$ 586	$ 606,032

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	Accumulated 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, 2015	$ 959	$ 806,379	$ (195,486)	$ (36,715)	$ 575,137	$ 30,309	$ 586	$ 606,032
Net income	—	—	193,744	—	193,744	10,287	298	204,329
Other comprehensive income	—	—	—	8,420	8,420	448	—	8,868
Compensation under Incentive Award Plan	—	16,304	—	—	16,304	—	—	16,304
Issuance of 59,700 common shares upon exercise of options	—	1,749	—	—	1,749	—	—	1,749
Grant of 173,124 restricted common share awards, net of forfeitures	2	(2)	—	—	—	—	—	—
Issuance of 24,040 deferred shares	—	—	—	—	—	—	—	—
Withholding of 66,760 common shares for employee income taxes	—	(2,177)	—	—	(2,177)	—	—	(2,177)
Contributions from noncontrolling interests	—	—	—	—	—	—	35	35
Adjustment for noncontrolling interests in Operating Partnership	—	(389)	—	—	(389)	389	—	—
Adjustment for noncontrolling interests in other consolidated partnerships	—	4	—	—	4	—	(4)	—
Acquisition of noncontrolling interest in other consolidated partnership	—	(1,617)	—	—	(1,617)	—	(325)	(1,942)
Exchange of 24,962 Operating Partnership units for 24,962 common shares	—	—	—	—	—	—	—	—
Common dividends ($1.260 per share)	—	—	(120,959)	—	(120,959)	—	—	(120,959)
Distributions to noncontrolling interests in Operating Partnership	—	—	—	—	—	(6,367)	(431)	(6,798)
Balance, December 31, 2016	$ 961	$ 820,251	$ (122,701)	$ (28,295)	$ 670,216	$ 35,066	$ 159	$ 705,441

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,		
	2016	2015	2014
Operating Activities			
Net income	$ 204,329	$ 222,168	$ 78,152
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	115,357	103,936	102,432
Amortization of deferred financing costs	3,237	2,730	2,382
Abandoned pre-development costs	—	—	2,365
Casualty gain	—	—	(486)
Gain on sale of assets and interests in unconsolidated entities	(6,305)	(120,447)	(7,513)
Gain on previously held interest in acquired joint ventures	(95,516)	—	—
Equity in earnings of unconsolidated joint ventures	(10,872)	(11,484)	(9,053)
Share-based compensation expense	15,319	14,712	14,750
Amortization of debt (premiums) and discounts, net	1,290	256	(601)
Net amortization of market rent rate adjustments	3,302	2,461	3,209
Straight-line rent adjustments	(7,002)	(6,347)	(6,073)
Payment of discount on extinguishment of debt	—	—	(913)
Distributions of cumulative earnings from unconsolidated joint ventures	13,662	12,137	9,586
Changes in other asset and liabilities:			
Other assets	(544)	(798)	4,160
Accounts payable and accrued expenses	3,059	1,431	(3,626)
Net cash provided by operating activities	239,316	220,755	188,771
Investing Activities			
Additions to rental property	(165,060)	(238,706)	(145,896)
Acquisitions of interest in unconsolidated joint ventures, net of cash acquired	(45,219)	—	—
Additions to investments in unconsolidated joint ventures	(32,968)	(45,286)	(142,268)
Net proceeds on sale of assets and interests in unconsolidated entities	28,706	164,587	38,993
Change in restricted cash	121,306	(121,306)	—
Proceeds from insurance reimbursements	983	649	1,964
Distributions in excess of cumulative earnings from unconsolidated joint ventures	60,267	26,875	65,336
Additions to non-real estate assets	(6,503)	(837)	(1,053)
Additions to deferred lease costs	(7,013)	(7,803)	(5,664)
Net cash used in investing activities	(45,501)	(221,827)	(188,588)
Financing Activities			
Cash dividends paid	(141,088)	(104,877)	(90,448)
Distributions to noncontrolling interests in Operating Partnership	(7,428)	(5,561)	(4,836)
Proceeds from revolving credit facility	845,650	537,000	657,800
Repayments of revolving credit facility	(974,950)	(457,700)	(563,000)
Proceeds from notes, mortgages and loans	437,420	90,839	273,808
Repayments of notes, mortgages and loans	(330,329)	(49,783)	(252,690)
Repayment of deferred financing obligation	(28,388)	—	—
Employee income taxes paid related to shares withheld upon vesting of equity awards	(2,177)	(1,126)	(15,520)
Acquisition of noncontrolling interest in other consolidated partnership	(1,942)	—	—
Distributions to noncontrolling interests in other consolidated partnerships	(385)	(156)	(127)
Additions to deferred financing costs	(5,496)	(2,829)	(3,913)
Proceeds from exercise of options	1,749	788	903
Other financing activities	3,897	259	—
Net cash provided by (used in) financing activities	(203,467)	6,854	1,977
Effect of foreign currency rate changes on cash and cash equivalents	316	(1,099)	(526)
Net increase (decrease) in cash and cash equivalents	(9,336)	4,683	1,634
Cash and cash equivalents, beginning of year	21,558	16,875	15,241
Cash and cash equivalents, end of year	$ 12,222	$ 21,558	$ 16,875

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except for unit data)

	December 31, 2016	December 31, 2015
Assets		
Rental property:		
Land	$ 272,153	$ 240,267
Buildings, improvements and fixtures	2,647,477	2,249,417
Construction in progress	46,277	23,533
	2,965,907	2,513,217
Accumulated depreciation	(814,583)	(748,341)
Total rental property, net	2,151,324	1,764,876
Cash and cash equivalents	12,199	21,552
Restricted cash	—	121,306
Investments in unconsolidated joint ventures	128,104	201,083
Deferred lease costs and other intangibles, net	151,579	127,089
Prepaids and other assets	82,481	78,248
Total assets	$ 2,525,687	$ 2,314,154
Liabilities and Equity		
Liabilities		
Debt:		
Senior, unsecured notes, net	$ 1,135,309	$ 789,285
Unsecured term loans, net	322,410	265,832
Mortgages payable, net	172,145	310,587
Unsecured lines of credit	58,002	186,220
Total debt	1,687,866	1,551,924
Accounts payable and accrued expenses	77,616	96,725
Deferred financing obligation	—	28,388
Other liabilities	54,764	31,085
Total liabilities	1,820,246	1,708,122
Commitments and contingencies (Note 23)		
Equity		
Partners' Equity:		
General partner, 1,000,000 units outstanding at December 31, 2016 and 2015	6,485	5,726
Limited partners, 5,027,781 and 5,052,743 Class A units and 95,095,891 and 94,880,825 Class B units outstanding at December 31, 2016 and 2015, respectively	728,631	638,422
Accumulated other comprehensive loss	(29,834)	(38,702)
Total partners' equity	705,282	605,446
Noncontrolling interests in consolidated partnerships	159	586
Total equity	705,441	606,032
Total liabilities and equity	$ 2,525,687	$ 2,314,154

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,		
	2016	2015	2014
Revenues:			
Base rentals	$ 308,353	$ 289,688	$ 274,480
Percentage rentals	11,221	10,157	10,307
Expense reimbursements	133,818	126,468	122,532
Management, leasing and other services	3,847	5,426	3,591
Other income	8,595	7,630	7,648
Total revenues	465,834	439,369	418,558
Expenses:			
Property operating	152,017	146,503	137,422
General and administrative	46,696	44,469	44,469
Acquisition costs	487	—	7
Abandoned pre-development costs	—	—	2,365
Depreciation and amortization	115,357	103,936	102,432
Total expenses	314,557	294,908	286,695
Operating income	151,277	144,461	131,863
Other income (expense):			
Interest expense	(60,669)	(54,188)	(57,931)
Loss on early extinguishment of debt	—	—	(13,140)
Gain on sale of assets and interests in unconsolidated entities	6,305	120,447	7,513
Gain on previously held interest in acquired joint ventures	95,516	—	—
Other non-operating income (expense)	1,028	(36)	794
Income before equity in earnings of unconsolidated joint ventures	193,457	210,684	69,099
Equity in earnings of unconsolidated joint ventures	10,872	11,484	9,053
Net income	204,329	222,168	78,152
Noncontrolling interests in consolidated partnerships	(298)	363	(104)
Net income available to partners	204,031	222,531	78,048
Net income available to limited partners	202,012	220,328	77,263
Net income available to general partner	$ 2,019	$ 2,203	$ 785
Basic earnings per common unit:			
Net income	$ 2.02	$ 2.21	$ 0.77
Diluted earnings per common unit:			
Net income	$ 2.01	$ 2.20	$ 0.77

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, 2016	2015	2014
Net income	$ 204,329	$ 222,168	$ 78,152
Other comprehensive income (loss):			
Foreign currency translation adjustments	4,259	(23,200)	(10,042)
Change in fair value of cash flow hedges	4,609	(711)	(2,028)
Other comprehensive income (loss)	8,868	(23,911)	(12,070)
Comprehensive income	213,197	198,257	66,082
Comprehensive income attributable to noncontrolling interests in consolidated partnerships	(298)	363	(104)
Comprehensive income attributable to the Operating Partnership	$ 212,899	$ 198,620	$ 65,978

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, 2013	$ 4,988	$ 548,424	$ (2,721)	$ 550,691	$ 6,904	$ 557,595
Net income	785	77,263	—	78,048	104	78,152
Other comprehensive loss	—	—	(12,070)	(12,070)	—	(12,070)
Compensation under Incentive Award Plan	—	15,459	—	15,459	—	15,459
Issuance of 47,000 common units upon exercise of options	—	903	—	903	—	903
Issuance of 1,302,729 restricted common units, net of forfeitures	—	—	—	—	—	—
Withholding of 412,239 common units for employee income taxes	—	(15,520)	—	(15,520)	—	(15,520)
Adjustment for noncontrolling interests in other consolidated partnerships	—	1,009	—	1,009	(5)	1,004
Acquisition of noncontrolling interests in consolidated partnerships	—	—	—	—	(6,226)	(6,226)
Common distributions ($.945 per common unit)	(945)	(94,339)	—	(95,284)	—	(95,284)
Distributions to noncontrolling interests	—	—	—	—	(127)	(127)
Balance, December 31, 2014	$ 4,828	$ 533,199	$ (14,791)	$ 523,236	$ 650	$ 523,886
Net income	2,203	220,328	—	222,531	(363)	222,168
Other comprehensive loss	—	—	(23,911)	(23,911)	—	(23,911)
Compensation under Incentive Award Plan	—	15,550	—	15,550	—	15,550
Issuance of 28,400 common units upon exercise of options	—	788	—	788	—	788
Issuance of 348,844 restricted common units, net of forfeitures	—	—	—	—	—	—
Withholding of 31,863 common units for employee income taxes	—	(1,125)	—	(1,125)	—	(1,125)
Contributions from noncontrolling interests	—	—	—	—	461	461
Adjustment for noncontrolling interests in other consolidated partnerships	—	6	—	6	(6)	—
Common distributions ($1.305 per common unit)	(1,305)	(130,324)	—	(131,629)	—	(131,629)
Distributions to noncontrolling interests	—	—	—	—	(156)	(156)
Balance, December 31, 2015	$ 5,726	$ 638,422	$ (38,702)	$ 605,446	$ 586	$ 606,032
Net income	2,019	202,012	—	204,031	298	204,329
Other comprehensive income	—	—	8,868	8,868	—	8,868
Compensation under Incentive Award Plan	—	16,304	—	16,304	—	16,304
Issuance of 59,700 common units upon exercise of options	—	1,749	—	1,749	—	1,749
Grant of 173,124 restricted common share awards by the Company, net of forfeitures	—	—	—	—	—	—
Issuance of 24,040 deferred units	—	—	—	—	—	—
Withholding of 66,760 common units for employee income taxes	—	(2,177)	—	(2,177)	—	(2,177)
Contributions from noncontrolling interests	—	—	—	—	35	35
Adjustment for noncontrolling interests in other consolidated partnerships	—	4	—	4	(4)	—
Acquisition of noncontrolling interest in other consolidated partnership	—	(1,617)	—	(1,617)	(325)	(1,942)
Common distributions ($1.260 per common unit)	(1,260)	(126,066)	—	(127,326)	—	(127,326)
Distributions to noncontrolling interests	—	—	—	—	(431)	(431)
Balance, December 31, 2016	$ 6,485	$ 728,631	$ (29,834)	$ 705,282	$ 159	$ 705,441

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,		
	2016	2015	2014
Operating activities			
Net income	$ 204,329	$ 222,168	$ 78,152
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	115,357	103,936	102,432
Amortization of deferred financing costs	3,237	2,730	2,382
Abandoned pre-development costs	—	—	2,365
Casualty gain	—	—	(486)
Gain on sale of assets and interests in unconsolidated entities	(6,305)	(120,447)	(7,513)
Gain on previously held interest in acquired joint ventures	(95,516)	—	—
Equity in earnings of unconsolidated joint ventures	(10,872)	(11,484)	(9,053)
Equity-based compensation expense	15,319	14,712	14,750
Amortization of debt (premiums) and discounts, net	1,290	256	(601)
Net amortization of market rent rate adjustments	3,302	2,461	3,209
Straight-line rent adjustments	(7,002)	(6,347)	(6,073)
Payment of discount on extinguishment of debt	—	—	(913)
Distributions of cumulative earnings from unconsolidated joint ventures	13,662	12,137	9,586
Changes in other assets and liabilities:			
Other assets	(705)	(639)	4,417
Accounts payable and accrued expenses	3,203	2,335	(4,695)
Net cash provided by operating activities	239,299	221,818	187,959
Investing activities			
Additions to rental property	(165,060)	(238,706)	(145,896)
Acquisitions of interest in unconsolidated joint ventures, net of cash acquired	(45,219)	—	—
Additions to investments in unconsolidated joint ventures	(32,968)	(45,286)	(142,268)
Net proceeds on sale of assets and interests in unconsolidated entities	28,706	164,587	38,993
Change in restricted cash	121,306	(121,306)	—
Proceeds from insurance reimbursements	983	649	1,964
Distributions in excess of cumulative earnings from unconsolidated joint ventures	60,267	26,875	65,336
Additions to non-real estate assets	(6,503)	(837)	(1,053)
Additions to deferred lease costs	(7,013)	(7,803)	(5,664)
Net cash used in investing activities	(45,501)	(221,827)	(188,588)
Financing activities			
Cash distributions paid	(148,516)	(110,438)	(95,284)
Proceeds from revolving credit facility	845,650	537,000	657,800
Repayments of revolving credit facility	(974,950)	(457,700)	(563,000)
Proceeds from notes, mortgages and loans	437,420	90,839	273,808
Repayments of notes, mortgages and loans	(330,329)	(49,783)	(252,690)
Repayment of deferred financing obligation	(28,388)	—	—
Employee income taxes paid related to shares withheld upon vesting of equity awards	(2,177)	(1,126)	(15,520)
Acquisition of noncontrolling interest in other consolidated partnership	(1,942)	—	—
Distributions to noncontrolling interests in other consolidated partnerships	(385)	(156)	(127)
Additions to deferred financing costs	(5,496)	(2,829)	(3,913)
Proceeds from exercise of options	1,749	788	903
Other financing activities	3,897	259	—
Net cash provided by (used in) financing activities	(203,467)	6,854	1,977
Effect of foreign currency rate changes on cash and cash equivalents	316	(1,099)	(526)
Net increase (decrease) in cash and cash equivalents	(9,353)	5,746	822
Cash and cash equivalents, beginning of year	21,552	15,806	14,984
Cash and cash equivalents, end of year	$ 12,199	$ 21,552	$ 15,806

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

1. Organization of the Company

Tanger Factory Outlet Centers, Inc. and subsidiaries, which we refer to as the Company, 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, 2016, we owned and operated 36 consolidated outlet centers, with a total gross leasable area of approximately 12.7 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 98% occupied and contained over 2,600 stores, representing approximately 400 store brands. We also had partial ownership interests in 8 unconsolidated outlet centers totaling approximately 2.3 million square feet, including 4 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, which we refer to as the Operating Partnership. 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, 2016, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 96,095,891 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 5,027,781 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 status as a REIT. 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.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership’s economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant.

We consolidate properties that are wholly owned or properties where we own less than 100% but we control. Control is determined using an evaluation based on accounting standards related to the consolidation of voting interest entities and variable interest entities ("VIE"). For joint ventures that are determined to be a VIE, we consolidate the entity where we are deemed to be the primary beneficiary. Determination of the primary beneficiary is based on whether an entity has (1) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (2) 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. Our determination of the primary beneficiary considers 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.

Investments in real estate joint ventures that we do not control but may exercise significant influence on are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our equity in the venture's net income or loss, cash contributions, distributions and other adjustments required under the equity method of accounting.

For certain of these investments, we record our equity in the venture's net income or loss under the hypothetical liquidation at book value ("HLBV") method of accounting due to the structures and the preferences we receive on the distributions from our joint ventures pursuant to the respective joint venture agreements for those joint ventures. Under this method, we recognize income and loss in each period based on the change in liquidation proceeds we would receive from a hypothetical liquidation of our investment based on depreciated book value. Therefore, income or loss may be allocated disproportionately as compared to the ownership percentages due to specified preferred return rate thresholds and may be more or less than actual cash distributions received and more or less than what we may receive in the event of an actual liquidation. In the event a basis difference is created between our underlying interest in the venture's net assets and our initial investment, we amortize such amount over the estimated life of the venture as a component of equity in earnings of unconsolidated joint ventures.

We separately report investments in joint ventures for which accumulated distributions have exceeded investments in and our share of net income or loss of the joint ventures within other liabilities in the consolidated balance sheets because we are committed to provide further financial support to these joint ventures. The carrying amount of our investments in the Charlotte and Galveston/Houston joint ventures are less than zero because of financing or operating distributions that were greater than net income, as net income includes non-cash charges for depreciation and amortization.

Noncontrolling interests - In the Company's consolidated financial statements, the "Noncontrolling interests in Operating Partnership" reflects the Non-Company LP's percentage ownership of the Operating Partnership's units. "Noncontrolling interests in other consolidated partnerships" consist of outside equity interests in partnerships or joint ventures 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 the allocation provisions within the partnership or joint venture agreements.

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, as well as 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 outlet 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. 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.

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 expensed when the project is no longer probable and, if significant, are recorded as abandoned pre-development costs in the consolidated statement of operations.

We also capitalize other costs incurred for the construction and development of properties, including interest, real estate taxes and payroll and related costs associated with employees directly involved. Capitalization of costs commences at the time the development of the property becomes probable and ceases when the property is substantially completed and ready for its intended use. We consider a construction project as substantially completed and ready for its intended use upon the completion of tenant improvements. We cease capitalization on the portion that is substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portion under construction. The amount of payroll and related costs capitalized for the construction and development of properties is based on our estimate of the amount of costs directly related to the construction or development of these assets.

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. This includes interest incurred on funds invested in or advanced to unconsolidated joint ventures for qualifying development activities until placed in service.

Payroll and related costs and interest costs capitalized for the years ended December 31, 2016, 2015 and 2014 were as follows (in thousands):

	2016	2015	2014
Payroll and related costs capitalized	$ 2,095	$ 2,989	$ 1,543
Interest costs capitalized	$ 2,259	$ 3,448	$ 5,095

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. Capitalized interest costs are amortized over lives which are consistent with the constructed assets. 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.

Depreciation expense related to rental property included in net income for each of the years ended December 31, 2016, 2015 and 2014 was as follows (in thousands):

	2016	2015	2014
Depreciation expense related to rental property	$ 96,813	$ 85,872	$ 80,057

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. Direct costs to acquire existing outlet centers are expensed as incurred.

Cash, Cash Equivalents and Restricted Cash - 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. At December 31, 2016 and 2015, we had cash equivalent investments in highly liquid money market accounts at major financial institutions of $672,000 and $671,000, respectively.

The restricted cash represents the cash proceeds from property sales that are being held by a qualified intermediary in anticipation of such amounts subsequently being invested in a tax efficient manner under Section 1031 of the Internal Revenue Code of 1986, as amended.

Deferred Charges - Deferred charges include 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 amounts paid to third-party brokers and payroll and related costs of employees directly involved in originating leases for the years ended December 31, 2016, 2015 and 2014 were as follows (in thousands):

	2016	2015	2014
Deferred lease costs capitalized	$ 7,013	$ 7,803	$ 6,199

Of the amounts capitalized during 2016, 2015 and 2014 the following were related to payroll and related costs (in thousands):

	2016	2015	2014
Deferred lease costs capitalized- payroll and related costs	$ 6,210	$ 6,236	$ 5,084

The amount of payroll and related costs capitalized is based on our estimate of the time and amount of costs directly related to originating leases. 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 - 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 - We have a wholly-owned captive insurance company that 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 than such carrying amount, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value. Fair value is determined using an income approach whereby we consider the prevailing market income capitalization rates and stabilized net operating income projections. We recognized no impairment losses for our consolidated properties during the years ended December 31, 2016, 2015, and 2014, respectively. See Note 6 for discussion of the impairment of our unconsolidated joint venture at the Bromont, Quebec outlet center during 2016.

Rental Property Held For Sale - Rental properties designated as held for sale are stated at the lower of their carrying value or their fair value less costs to sell. We classify rental property 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.

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, estimated hold period, terminal capitalization rates, demand for space, competition for tenants, discount and capitalization rates, 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.

Sales of Real Estate - For sales transactions meeting the requirements for full profit recognition, the related assets and liabilities are removed from the balance sheet and the resulting gain or loss is recorded in the period the transaction closes. For sales transactions with continuing involvement after the sale, if the continuing involvement with the property is limited by the terms of the sales contract, profit is recognized at the time of sale and is reduced by the maximum exposure to loss related to the nature of the continuing involvement. Sales to entities in which we have or receive an interest are accounted for using partial sale accounting.

For transactions that do not meet the criteria for a sale, we evaluate the nature of the continuing involvement, including put and call provisions, if present, and account for the transaction as a financing arrangement, profit-sharing arrangement, leasing arrangement or other alternate method of accounting, rather than as a sale, based on the nature and extent of the continuing involvement. Some transactions may have numerous forms of continuing involvement. In those cases, we determine which method is most appropriate based on the substance of the transaction.

Discontinued Operations - Properties that are sold or classified as held for sale are classified as discontinued operations provided that the disposal represents a strategic shift that has (or will have) a major effect on our operations and financial results (e.g., a disposal of a major geographical area, a major line of business, a major equity method investment or other major parts of an entity).

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 (loss). 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 2013 - 2016 remain open to examination by the major tax jurisdictions to which we are subject.

With regard to the Company's unconsolidated Canadian joint ventures, deferred tax assets result principally from depreciation deducted under United States Generally Accepted Accounting Principles ("GAAP") that exceed capital cost allowances claimed under Canadian tax rules. A valuation allowance is provided if we believe all or some portion of the deferred tax asset may not be realized. We have determined that a full valuation allowance is required as we believe none of the deferred tax assets will be realized.

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, 2016, 2015 and 2014 were taxable as follows:

Common dividends per share:	2016	2015	2014
Ordinary income	$ 1.246	$ 1.285	$ 0.765
Capital gain	0.014	0.020	—
Return of capital	—	—	0.180
	$ 1.260	$ 1.305	$ 0.945

The following reconciles net income available to the Company's shareholders to taxable income available to common shareholders for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	2016	2015	2014
Net income available to the Company's shareholders	$ 193,744	$ 211,200	$ 74,011
Book/tax difference on:			
Depreciation and amortization	1,666	12,446	20,575
Sale of assets and interests in unconsolidated entities	(8,688)	(110,248)	(9,524)
Equity in earnings from unconsolidated joint ventures	4,305	6,772	12,910
Share-based payment compensation	4,596	4,751	(37,193)
Gain on previously held interest in acquired joint venture	(91,467)	—	—
Other differences	6,294	(2,831)	1,205
Taxable income available to common shareholders	$ 110,450	$ 122,090	$ 61,984

Revenue Recognition - Base rentals are recognized on a straight-line basis over the term of the lease. Straight-line rent adjustments recorded as a receivable in other assets on the consolidated balance sheets were approximately $46.8 million and $40.6 million as of December 31, 2016 and 2015, 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. For certain tenants, we receive a fixed payment for common area maintenance ("CAM") which is recognized as revenue when earned. When not reimbursed by the fixed-CAM component, CAM expense reimbursements are based on the tenant's proportionate share of the allocable operating expenses for the property. 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 and leasing fees received from unconsolidated affiliates are recognized as revenue when earned to the extent of the third party partners' ownership interest. Development and leasing fees 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 and marketing fees are recognized as revenue when earned. Fees recognized from these activities are shown as management, leasing and other services in our consolidated statements 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 2016, 2015 or 2014.

Supplemental Cash Flow Information - We purchase capital equipment and incur costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in accounts payable and accrued expenses were as follows for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	2016	2015	2014
Costs relating to construction included in accounts payable and accrued expenses	$ 22,908	$ 28,665	$ 23,033

See Note 3, for additional non-cash information associated with our acquisitions of rental property.

A non-cash financing activity that occurred during the 2015 period related to a special dividend of $21.2 million that was declared in December 2015 and paid in January 2016.

Interest paid, net of interest capitalized was as follows for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	2016	2015	2014
Interest paid, net of interest capitalized	$ 50,270	$ 49,542	$ 55,379

Accounting for Equity-Based Compensation - We have a shareholder approved equity-based compensation plan, the Incentive Award Plan of Tanger Factory Outlet Centers and Tanger Properties Limited Partnership (Amended and Restated as of April 4, 2014) (the "Plan"), which covers our independent directors, officers and our employees. We may issue non-qualified options and other equity-based awards under the 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 equity as a component of accumulated other comprehensive income (loss) in the consolidated balance sheets.

New Accounting Pronouncements - In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-01, Clarifying the Definition of a Business (Topic 805). ASU 2017-01 clarifies the definition of a business and provides further guidance for evaluating whether a transaction will be accounted for as an acquisition of an asset or a business. ASU 2017-01 is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The update should be applied prospectively. We plan to adopt ASU 2017-01 as of January 1, 2017 and do not expect the adoption to require any additional disclosures. We believe most of our future acquisitions of operating properties will qualify as asset acquisitions and most future transaction costs associated with these acquisitions will be capitalized.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. This ASU requires that a statement of cash flows explain the change during the period in cash, cash equivalents, and amounts generally described as restricted cash. Amounts generally described as restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The update should be applied retrospectively to each period presented. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. We plan to adopt this pronouncement for our fiscal year beginning January 1, 2018, and the pronouncement will result in changes to our consolidated statements of cash flows such that restricted cash amounts will be included in the beginning-of-period and end-of-period cash and cash equivalents totals.

In October 2016, the FASB issued ASU 2016-17, Interests Held through Related Parties That Are under Common Control. This ASU modifies existing guidance with respect to how a decision maker that holds an indirect interest in a VIE through a common control party determines whether it is the primary beneficiary of the VIE as part of the analysis of whether the VIE would need to be consolidated. Under this ASU, a decision maker would need to consider only its proportionate indirect interest in the VIE held through a common control party. As a result of this ASU, in certain cases, previous consolidation conclusions may change. This ASU is effective for fiscal years beginning after December 15, 2016. Since we have already adopted the amendments in ASU 2015-02 we are required to apply the amendments in this ASU, retrospectively to the beginning of 2016. We do not expect the adoption of ASU 2016-17 to have a material impact on the company's financial position, results of operations or cash flows.

In August 2016, the FASB issued ASU No. 2016-15, the Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force), which finalizes Proposed ASU No. EITF-15F of the same name, and addresses stakeholders' concerns regarding diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows under Topic 230, Statement of Cash Flows, and other Topics. This ASU is effective for fiscal years beginning after December 15, 2017 and for interim periods within those fiscal years, with early adoption permitted. The ASU should be adopted using a retrospective transition approach. We are currently evaluating the impact of adopting the new guidance, but we do not expect the adoption to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires measurement and recognition of expected versus incurred credit losses for financial assets held. This ASU will be applied on a prospective basis for fiscal years and interim periods beginning after December 15, 2019, with early adoption permitted for fiscal years beginning and interim periods beginning after December 15, 2018. We are currently evaluating the impact of adopting the new guidance, but we do not expect the adoption to have a material impact on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2016 including interim periods within that reporting period and may be applied on a modified retrospective basis as a cumulative-effect adjustment to retained earnings as of the date of adoption. Early adoption is permitted. The adoption of this amendment is not expected to have a material impact on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-07, Investments - Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting, this standard eliminates the requirement that when an existing cost method investment qualifies for use of the equity method, an investor must restate its historical financial statements, as if the equity method had been used during all previous periods. Under the new guidance, at the point an investment qualifies for the equity method, any unrealized gain or loss in accumulated other comprehensive income/(loss) ("AOCI") will be recognized through earnings. The standard is effective for interim and annual reporting periods beginning after December 15, 2016, although early adoption is permitted. The adoption of the guidance will be applied prospectively to increases in the level of ownership interest or degree of influence occurring after the new standards effective date. Additional transition disclosures are not required upon adoption. We do not expect that the adoption of this standard will have a material impact on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-06, Derivatives and Hedging (Topic 815) – Contingent Put and Call Options in Debt Instruments ("ASU 2016-06"), which will reduce diversity of practice in identifying embedded derivatives in debt instruments. ASU 2016-06 clarifies that the nature of an exercise contingency is not subject to the "clearly and closely" criteria for purposes of assessing whether the call or put option must be separated from the debt instrument and accounted for separately as a derivative. ASU No. 2016-06 is effective for annual reporting periods, and interim periods therein, beginning after December 15, 2016. Entities are required to apply the guidance to existing debt instruments using a modified retrospective transition method as of the period of adoption. We are currently evaluating the new guidance to determine the impact it may have on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases. ASU 2016-02, codified in ASC 842, amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will be effective beginning in the first quarter of 2019. Early adoption of ASU 2016-02 as of its issuance is permitted. The new leases standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. Based on a preliminary assessment, we expect our significant operating lease commitments, primarily ground leases, will be required to be recognized as operating lease liabilities and right-of-use assets upon adoption, resulting in an increase in the assets and liabilities on our consolidated balance sheets. We are continuing our evaluation, which may identify additional impacts this standard will have on our consolidated financial statements and related disclosures.

In February 2015, FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis. ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. ASU 2015-02 modifies the evaluation of whether limited partnerships and similar legal entities are VIEs or voting interest entities, eliminates the presumption that a general partner should consolidate a limited partnership and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships. ASU 2015-02 is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. During the first quarter of 2016, we adopted ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis" and this adoption did not have a material impact on our financial position, results of operations or cash flows.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which requires management to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued and provide related disclosures. This ASU is effective for annual periods ending after December 15, 2016 and interim periods thereafter, early adoption is permitted. We adopted this standard as of December 31, 2016. The adoption of this ASU did not have an impact on our consolidated balance sheets, statements of operations, cash flows or disclosures but may result in more disclosure surrounding the Company's plans for addressing significant upcoming debt maturities.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We are required to adopt the new pronouncement in the first quarter of fiscal 2018 using one of two retrospective application methods. In March, April and May 2016 the FASB issued the following amendments to clarify the implementation guidance: ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing and ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606)—Narrow-Scope Improvements and Practical Expedients. We will adopt ASU 2014-09 effective January 1, 2018. We have identified our revenue streams and are in the process of evaluating the impact on our consolidated financial statements and internal accounting processes; however, as the majority of our revenue is derived from real estate lease contracts we do not expect the adoption of ASU 2014-09 or related amendments and modifications by the FASB will have a material impact on the amount of revenue we recognize in our consolidated financial statements.

Reclassifications - As a result of the adoption on January 1, 2016 of FASB ASU No. 2015-03 Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, our deferred debt origination costs and related accumulated amortization previously recorded in the line item “deferred debt origination costs, net” have been reclassified from assets to the respective debt line items within the liabilities section in the consolidated balance sheet as of December 31, 2015. The reclassification decreased previously reported total assets and total liabilities by $11.9 million.

3. Acquisition of Rental Property

2016 Acquisitions

<u>*Savannah*</u>

In August 2016, the Savannah joint venture, which owned the outlet center in Pooler, Georgia distributed all outparcels along with $15.0 million in cash consideration to the other partner in exchange for the partner's ownership interest. We contributed the $15.0 million in cash consideration to the joint venture, which we funded with borrowings under our unsecured lines of credit. At the time of acquisition, the property was subject to a $96.9 million construction loan, with an interest rate of LIBOR + 1.65%, that would have matured in May 2017. In September 2016, we repaid the mortgage loan with borrowings under our unsecured lines of credit.

The former joint venture is now wholly-owned by us and was consolidated in our financial results as of the acquisition date. Prior to this transaction, we owned a 50% legal interest in the joint venture since its formation and accounted for it under the equity method of accounting. However, due to preferred equity contributions we made to the joint venture, and the returns earned on those contributions, our estimated economic interest in the book value of the assets was approximately 98%. Therefore, substantially all of the earnings of the joint venture were previously recognized by us as equity in earnings of unconsolidated joint ventures.

There was no contingent consideration associated with this acquisition. The joint venture incurred approximately $260,000 in third-party acquisition related costs for the acquisition of the venture partner's interest that were expensed as incurred. As a result of acquiring the remaining interest in the Savannah joint venture, we recorded a gain of $46.3 million which represented the difference between the carrying book value and the fair value of our previously held equity method investment in the joint venture.

Non-cash investing activities related to the purchase of our partners' interest in the Savannah joint venture, include the assumption of debt totaling $96.9 million. In addition, rental property and lease related intangible assets and liabilities increased by a net of $46.3 million related to the fair value of our previously held interest in excess of our carrying amount; prepaids and other assets increased $250,000 and accounts payable and accrued expenses increased $2.1 million from the assumption of current assets and liabilities.

<u>*Westgate*</u>

In June 2016, we completed the purchase of our partners' interest in the Westgate joint venture, which owned the outlet center in Glendale, Arizona, for a total cash price of approximately $40.9 million. Prior to the transaction, we owned a 58% interest in the Westgate joint venture since its formation in 2012 and accounted for it under the equity method of accounting. The former joint venture is now wholly-owned by us and was consolidated in our financial results as of June 30, 2016.

The total cash price included $39.0 million to acquire the 40% ownership interest held by the equity partner in the joint venture. We also purchased the remaining 2% noncontrolling ownership interests in the Westgate outlet center held in a consolidated partnership for a purchase price of $1.9 million. The acquisition of the noncontrolling ownership interest was recorded as an equity transaction and, as a result, the carrying balances of the noncontrolling interest were eliminated and the remaining difference between the purchase price and carrying balance was recorded as a reduction in additional-paid-in-capital. We funded the total purchase price with borrowings under our unsecured lines of credit. At the time of the acquisition, the property was subject to a $62.0 million mortgage loan, with an interest rate of LIBOR + 1.75% and a maturity in June 2017. In August 2016, we repaid the mortgage loan in full with proceeds from the public offering of $250.0 million in senior notes due 2026.

There was no contingent consideration associated with this acquisition. We incurred approximately $127,000 in third-party acquisition related costs for the acquisition of our partners' interest in the Westgate joint venture that were expensed as incurred. As a result of acquiring the remaining interest in the Westgate joint venture, we recorded a gain of $49.3 million which represented the difference between the carrying book value and the fair value of our previously held equity method investment in the joint venture.

Non-cash investing activities related to the purchase of our partners' interest in the Westgate joint venture, include the assumption of debt totaling $62.0 million. In addition, rental property and lease related intangible assets and liabilities increased by a net of $49.3 million related to the fair value of our previously held interest in excess of our carrying amount; prepaids and other assets increased $227,000 and accounts payable and accrued expenses increased $5.0 million from the assumption of current assets and liabilities.

The following table illustrates the fair value of the aggregate consideration transferred to acquire the equity interests of the Savannah and Westgate properties at the acquisition date for the year ended 2016 (in thousands):

Cash transferred for equity interests	$	54,000
Fair value of our previously held interests		145,581
Fair value of net assets	$	199,581

The following table illustrates the aggregate fair value of the amounts of the identifiable assets acquired and liabilities assumed and recognized at the acquisition date for the Savannah and Westgate properties acquired during the year ended 2016:

		Fair Value (in thousands)	Weighted-Average Amortization Period (in years)
Cash	$	8,781	
Land		27,593	
Buildings, improvements and fixtures		308,117	
Deferred lease costs and other intangibles			
Above market lease value		15,882	7.2
Lease in place value		13,972	5.9
Lease and legal costs		10,264	6.4
Total deferred lease costs and other intangibles		40,118	
Prepaids and other assets		477	
Debt		(158,994)	
Accounts payable and accrued expenses		(7,183)	
Other liabilities (below market lease value)		(19,328)	12.0
Total fair value of net assets	$	199,581	

The fair values were determined based on an income approach, using a rental growth rate of 3.0%, a discount rate between 7.50% and 8.25%, and a terminal capitalization rate between 5.75% and 7.0%. The estimated fair values were determined to have primarily relied upon Level 3 inputs, as defined in Note 12.

The Company has finalized the valuations and completed the purchase price allocations. During the measurement period, we adjusted the Westgate purchase price allocation based upon information that was received subsequent to the acquisition date that related to conditions that existed as of that date. This adjustment increased above market lease value by $1.6 million, and decreased buildings, improvements and fixtures by $5.6 million, below market lease value by $4.8 million, lease in place value by $628,000 and land by $150,000.

2014 Acquisition

In September 2011, we purchased substantially all of the economic interests in The Outlets at Hershey, a 248,000 square foot outlet center. A portion of the cash consideration paid to the buyer included a $6.2 million loan, which was included in other assets in the consolidated balance sheets, collateralized by their remaining ownership interest in the property. In October 2014, the loan was canceled in exchange for this remaining ownership interest in the property.

4. Disposition of Properties

The following table sets forth the properties sold for the years ended 2016, 2015 and 2014 (in thousands):

Properties	Locations	Date Sold	Square Feet	Net Sales Proceeds	Gain on Sale
2016 Dispositions:(1)					
Fort Myers (2)	Fort Myers, FL	January 2016	199	$ 25,785	$ 4,887
Land outparcel	Myrtle Beach, SC	September 2016	—	$ 2,921	1,418
					$ 6,305
2015 Dispositions:(1)(3)					
Barstow	Barstow, CA	October 2015	171	$ 105,793	$ 86,506
Kittery I and II, Tuscola, and West Branch	Kittery, ME, Tuscola, IL, and West Branch, MI	September 2015	439	$ 43,304	20,215
					$ 106,721
2014 Dispositions:(1)					
Lincoln City	Lincoln City, OR	December 2014	270	$ 38,993	$ 7,513

(1) The rental properties did not meet the criteria set forth in the guidance for reporting discontinued operations (See Note 2), thus their results of operations have remained in continuing operations.

(2) The proceeds from the sale of this unencumbered asset were used to pay down balances outstanding under our unsecured lines of credit.

(3) We received combined net proceeds of $149.1 million of which $121.3 million was recorded in restricted cash as of December 31, 2015. The restricted cash represented the cash proceeds from property sales that were being held by a qualified intermediary for such amounts subsequently being invested in the 2016 period in a tax efficient manner under Section 1031 of the Internal Revenue Code of 1986, as amended.

5. Development of Consolidated Rental Properties

Daytona Beach

In November 2016, we opened an approximately 349,000 square foot, wholly-owned, outlet center in Daytona Beach, Florida. This outlet center features over 80 brand name and designer outlet stores.

The table below sets forth our consolidated outlet centers under development as of December 31, 2016:

Project	Approximate square feet (in 000's)	Costs Incurred to Date (in millions)[1]	Projected Opening
New development:			
Fort Worth	352	$ 19.8	Holiday 2017
Expansion:			
Lancaster	123	15.4	Q3 2017
Total	475	$ 35.2	

(1) Amounts funded by our unsecured lines of credit.

Fort Worth

In September 2016, we purchased land in the greater Fort Worth, Texas area for approximately $11.2 million and began construction immediately on the development of a wholly-owned outlet center. The outlet center will be located within the 279-acre Champions Circle mixed-use development adjacent to Texas Motor Speedway.

Lancaster Expansion

In July 2016, we commenced construction on a 123,000 square foot expansion of our outlet center in Lancaster, Pennsylvania.

6. Investments in Unconsolidated Real Estate Joint Ventures

The equity method of accounting is used to account for each of the individual joint ventures. We have an ownership interest in the following unconsolidated real estate joint ventures:

As of December 31, 2016

Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)	Total Joint Venture Debt, Net (in millions)[1]
Columbus	Columbus, OH	50.0%	355	$ 6.7	$ 84.2
National Harbor	National Harbor, MD	50.0%	341	4.1	86.1
RioCan Canada	Various	50.0%	901	117.3	11.1
				$ 128.1	$ 181.4
Charlotte[3]	Charlotte, NC	50.0%	398	$ (2.5)	$ 89.7
Galveston/Houston [3]	Texas City, TX	50.0%	353	(3.8)	64.9
				$ (6.3)	$ 154.6

As of December 31, 2015

Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)	Total Joint Venture Debt, Net (in millions)[1]
Columbus	Columbus, OH	50.0%	—	$ 21.1	$ —
National Harbor	National Harbor, MD	50.0%	339	6.1	85.8
RioCan Canada	Various	50.0%	870	117.2	11.3
Savannah [2]	Savannah, GA	50.0%	377	44.4	87.6
Westgate	Glendale, AZ	58.0%	411	12.3	61.9
				$ 201.1	$ 246.6
Charlotte[3]	Charlotte, NC	50.0%	398	$ (1.1)	$ 89.6
Galveston/Houston[3]	Texas City, TX	50.0%	353	$ (1.5)	$ 64.7
				$ (2.6)	$ 154.3

(1) Net of debt origination costs and including premiums of$1.6 million and $3.3 million as of December 31, 2016 and December 31, 2015, respectively.

(2) Based on capital contribution and distribution provisions in the joint venture agreement, our economic interest in the venture's cash flow was greater than indicated in the Ownership column, which states our legal interest in this venture. As of December 31, 2015, based upon the liquidation proceeds we would have received from a hypothetical liquidation of our investment based on depreciated book value, our estimated economic interest in the venture was approximately 98%. Our economic interest may fluctuate based on a number of factors, including mortgage financing, partnership capital contributions and distributions, and proceeds from gains or losses of asset sales.

(3) The negative carrying value is due to the distributions of proceeds from mortgage loans and quarterly distributions of excess cash flow exceeding the original contributions from the partners.

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

	Year Ended December 31,		
	2016	2015	2014
Fees:			
Development and leasing	$ 651	$ 1,827	$ 725
Loan guarantee	452	746	463
Management and marketing	2,744	2,853	2,403
Total Fees	$ 3,847	$ 5,426	$ 3,591

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 "Condensed Combined 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 $3.7 million and $3.9 million as of December 31, 2016 and 2015, respectively) are amortized over the various useful lives of the related assets.

Charlotte

In July 2014, we opened an approximately 398,000 square foot outlet center in Charlotte, North Carolina that was developed through, and is owned by, a joint venture formed in May 2013. Construction of the outlet center, which commenced during the third quarter of 2013, was initially funded with equal equity contributions by the partners. In November 2014, the joint venture closed on an interest-only mortgage loan for $90.0 million at an interest rate of LIBOR + 1.45%. The loan initially matures in November 2018, with the option to extend the maturity for one additional year. The joint venture received net loan proceeds of $89.4 million and distributed them equally to the partners. Our partner is providing property management, marketing and leasing services to the joint venture. During construction, we provided development services to the joint venture and joint leasing services with our partner.

Columbus

In June 2016, we opened an approximately 355,000 square foot outlet center in Columbus, Ohio. As of December 31, 2016, we and our partner had each contributed $47.5 million to fund development activities. In November 2016, the joint venture closed on an interest-only mortgage loan of $85.0 million at an interest rate of LIBOR + 1.65%. The loan initially matures in November 2019, with two one-year extension options. The joint venture received net loan proceeds of $84.2 million and distributed them equally to the partners. We are providing property management, marketing and leasing services to the joint venture. During construction, our partner provided development services to the joint venture and we, along with our partner, provided joint leasing services.

Galveston/Houston

In October 2012, we opened an approximately 353,000 square foot outlet center in Texas City, Texas that was developed through, and is owned by, a joint venture formed in June 2011. 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 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 net proceeds equally to the partners. We used our share of the proceeds to reduce amounts outstanding under our unsecured lines of credit. We are providing property management, marketing and leasing services to the outlet center.

National Harbor

In November 2013, we opened an approximately 341,000 square foot outlet center at National Harbor in the Washington, D.C. Metro area that was developed through, and is owned by, a joint venture formed in May 2011. In November 2014, the joint venture amended the initial construction loan to increase the amount available to borrow from $62.0 million to $87.0 million and extended the maturity date until November 2019. The loan carries an interest rate of LIBOR + 1.65%. At the closing of the amendment, the joint venture distributed approximately $19.0 million equally between the partners. The loan balance as of December 31, 2016 was approximately $87.0 million. We are providing property management, marketing and leasing services to the joint venture.

RioCan Canada

We have a 50/50 co-ownership agreement with RioCan Real Estate Investment Trust to develop and acquire outlet centers in Canada. Under the agreement, any outlet centers developed or acquired will be branded as Tanger Outlet Centers. We have agreed to provide leasing and marketing services for the outlet centers and RioCan has agreed to provide development and property management services.

In October 2014, the co-owners opened Tanger Outlets Ottawa, the first ground up development of a Tanger Outlet Center in Canada. In March 2016, the co-owners opened an approximately 28,000 square foot expansion related to an anchor tenant bringing the total square feet of the outlet center to approximately 316,000 square feet. In 2016, the co-owners commenced construction on a 40,000 square foot expansion, which is expected to open during the second quarter of 2017.

In November 2014, the co-owners opened an approximately 149,000 square foot expansion to the existing Cookstown Outlet Mall, bringing the total square feet of the outlet center to approximately 308,000 square feet.

Other properties owned by the RioCan Canada co-owners include Les Factoreries Saint-Sauveur and Bromont Outlet Mall. Les Factoreries Saint-Sauveur is approximately 116,000 square feet and the Bromont Outlet Mall is approximately 161,000 square feet.

Rental property held and used by our joint ventures are reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, the estimated future undiscounted cash flows associated with the asset is compared to the asset's carrying amount, and if less than such carrying amount, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value.

During 2016, the joint venture determined for its Bromont, Quebec outlet center that the estimated future undiscounted cash flows of that property did not exceed the property's carrying value based on the reduction in the property's net operating income. Therefore, the joint venture recorded a $5.8 million non-cash impairment charge in its statement of operations, which equaled the excess of the property's carrying value over its fair value. The fair value was determined using the income approach whereby the joint venture considered the prevailing market income capitalization rates and stabilized net operating income projections. Our share of this impairment charge, $2.9 million, was recorded in equity in earnings of unconsolidated joint ventures in our consolidated statement of operations.

Savannah

In May 2016, the joint venture expanded the outlet center in Savannah by approximately 42,000 square feet, bringing the outlet center's total gross leasable area to approximately 419,000 square feet.

As described in Note 3, we acquired our partners' interest in the Savannah joint venture in August 2016 and have consolidated the property for financial reporting purposes since the acquisition date.

Westgate/Glendale

As described in Note 3, we acquired our partners' interest in the Westgate joint venture in June 2016 and have consolidated the property for financial reporting purposes since the acquisition date.

Wisconsin Dells

In February 2015, we sold our equity interest in the joint venture that owned the outlet center located in Wisconsin Dells, Wisconsin for approximately $15.6 million, representing our share of the sales price totaling $27.7 million less our share of the outstanding debt, which totaled $12.1 million. As a result of this transaction, we recorded a gain of approximately $13.7 million in the first quarter of 2015, which represented the difference between the carrying value of our equity method investment and the net proceeds received.

Condensed combined summary financial information of joint ventures accounted for using the equity method as of December 31, 2016 and 2015 is as follows (in thousands):

Condensed Combined Balance Sheets - Unconsolidated Joint Ventures	2016	2015
Assets		
Land	$ 88,015	$ 103,046
Buildings, improvements and fixtures	503,548	615,662
Construction in progress, including land under development	13,037	62,308
	604,600	781,016
Accumulated depreciation	(67,431)	(60,629)
Total rental property, net	537,169	720,387
Cash and cash equivalents	27,271	28,723
Deferred lease costs, net	13,612	18,399
Prepaids and other assets	12,567	14,455
Total assets	$ 590,619	$ 781,964
Liabilities and Owners' Equity		
Mortgages payable, net	$ 335,971	$ 400,935
Accounts payable and other liabilities	20,011	31,805
Total liabilities	355,982	432,740
Owners' equity	234,637	349,224
Total liabilities and owners' equity	$ 590,619	$ 781,964

Condensed Combined Statements of Operations- Unconsolidated Joint Ventures:	Year Ended December 31,		
	2016	2015	2014
Revenues	$ 106,766	$ 106,042	$ 78,625
Expenses:			
Property operating	39,576	40,639	30,986
General and administrative	349	571	621
Asset impairment	5,838	—	—
Abandoned development costs	—	—	472
Depreciation and amortization	32,930	34,516	23,426
Total expenses	78,693	75,726	55,505
Operating income	28,073	30,316	23,120
Interest expense	(8,946)	(8,674)	(5,459)
Other non-operating income	6	19	—
Net income	$ 19,133	$ 21,661	$ 17,661
The Company and Operating Partnership's share of:			
Net income	$ 10,872	$ 11,484	$ 9,053
Depreciation and asset impairments (real estate related)	$ 21,829	$ 20,052	$ 12,212

7. Deferred Charges

Deferred lease costs and other intangibles, net as of December 31, 2016 and 2015 consist of the following (in thousands):

	2016	2015
Deferred lease costs	$ 76,733	$ 70,379
Intangible assets:		
Above market leases	57,077	43,340
Lease in place value	77,858	68,194
Tenant relationships	52,925	55,538
Other intangibles	52,346	42,614
	316,939	280,065
Accumulated amortization	(165,360)	(152,976)
Deferred lease costs and other intangibles, net	$ 151,579	$ 127,089

Below market lease intangibles, net of accumulated amortization, included in other liabilities on the consolidated balance sheets as of December 31, 2016 and 2015 were $27.6 million and $10.4 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, 2016, 2015 and 2014 was $16.8 million, $16.7 million and $20.9 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, 2016, 2015 and 2014 was $(2.8) million, $(2.0) million and $(2.8) million, 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 (1)	Deferred lease costs and other intangibles (2)
2017	$ 2,566	$ 11,462
2018	2,358	9,882
2019	876	7,678
2020	406	6,567
2021	243	5,747
Total	$ 6,449	$ 41,336

(1) These amounts are recorded as a reduction of base rentals.

(2) These amounts are recorded as an increase in depreciation and amortization.

8. 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. The Company also guarantees the Operating Partnership's unsecured term loan.

The Operating Partnership had the following amounts outstanding on the debt guaranteed by the Company as of December 31, 2016 and 2015 (in thousands):

	2016	2015
Unsecured lines of credit	$ 61,000	$ 190,300
Unsecured term loan	$ 325,000	$ 250,000

9. Debt of the Operating Partnership

The debt of the Operating Partnership as of December 31, 2016 and 2015 consisted of the following (in thousands):

			2016		2015	
	Stated Interest Rate(s)	Maturity Date	Principal	Book Value(1)	Principal	Book Value(1)
Senior, unsecured notes:						
Senior notes	6.125 %	June 2020	$ 300,000	$ 298,226	$ 300,000	$ 297,739
Senior notes	3.875 %	December 2023	250,000	245,425	250,000	244,829
Senior notes	3.750 %	December 2024	250,000	247,058	250,000	246,717
Senior notes	3.125 %	September 2026	350,000	344,600	—	—
Mortgages payable:						
Atlantic City (2) (3)	5.14%-7.65%	November 2021- December 2026	40,471	43,286	43,312	46,605
Deer Park	LIBOR + 1.50%	—	—	—	150,000	149,145
Foxwoods	LIBOR + 1.55%	December 2017	70,250	69,902	70,250	69,564
Southaven	LIBOR + 1.75%	April 2018	59,277	58,957	45,824	45,273
Unsecured note payable (2)	1.50 %	June 2016	—	—	10,000	9,919
Unsecured term loan	LIBOR + 0.95%	April 2021	325,000	322,410	250,000	248,443
Unsecured term note	LIBOR + 1.30%	—	—	—	7,500	7,470
Unsecured lines of credit	LIBOR + .90%	October 2019	61,000	58,002	190,300	186,220
			$ 1,705,998	$ 1,687,866	$ 1,567,186	$ 1,551,924

(1) Includes premiums and net of debt discount and unamortized debt origination costs. Unamortized debt origination costs were14.0 million and $11.9 million for the years ended December 31, 2016 and 2015, respectively. Amortization of deferred debt origination costs included in interest expense for the years ended December 31, 2016, 2015 and 2014 was $3.2 million, $2.7 million and $2.4 million, respectively.

(2) 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% and note payable 3.15%.

(3) Principal and interest due monthly with remaining principal due at maturity.

Certain of our properties, which had a net book value of approximately $327.7 million at December 31, 2016, 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 up to $1.0 billion through an accordion feature in certain circumstances. As of December 31, 2016, letters of credit totaling approximately $5.4 million were issued under the lines of credit.

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, 2016, we were in compliance with all of our debt covenants.

2016 Transactions

Deer Park Debt Repayment

In January 2016, we repaid our $150.0 million floating rate mortgage loan, which had an original maturity date in August 2018 and was related to our 749,000 square foot Deer Park outlet center.

Unsecured Term Note Repayment

In February 2016, we repaid our $7.5 million unsecured term note, which had an original maturity date in August 2017.

Unsecured Term Loan

In April 2016, we amended our unsecured term loan to increase the size of the loan from $250.0 million to $325.0 million, extend the maturity date from February 2019 to April 2021, reduce the interest rate spread over LIBOR from 1.05% to 0.95%, and increase the incremental loan availability through an accordion feature from $150.0 million to $175.0 million.

Unsecured Note Payable Repayment

In June 2016, our $10.0 million unsecured note payable became due and was repaid on June 23, 2016.

Aggregate $350.0 Million Unsecured Senior Notes due 2026 and Westgate Debt Repayment

In August 2016, we completed a public offering of $250.0 million in senior notes due 2026 in an underwritten public offering. The notes were priced at 99.605% of the principal amount to yield 3.171% to maturity. In October 2016, we sold an additional $100.0 million of our senior notes due 2026. The notes priced at 98.962% of the principal amount to yield 3.248% to maturity. The notes pay interest semi-annually at a rate of 3.125% per annum and mature on September 1, 2026. The aggregate net proceeds from the offerings, after deducting the underwriting discount and offering expenses, were approximately $344.5 million. We used the net proceeds from the sale of the notes to repay a $62.0 million floating rate mortgage loan related to the outlet center in Glendale (Westgate), Arizona, repay borrowings under our unsecured lines of credit, and for general corporate purposes.

Savannah Debt Repayment

At the time of acquisition, the Savannah outlet center was subject to a $96.9 million mortgage loan, with an interest rate of LIBOR + 1.65% and maturity date in May 2017. In September 2016, we repaid the mortgage loan with borrowings under our unsecured lines of credit.

2015 Transactions

Southaven Mortgage

In April 2015, the consolidated joint venture closed on an interest only mortgage loan with the ability to borrow up to $60.0 million at an interest rate of LIBOR +1.75%. The loan initially matures on April 29, 2018, with one two-year extension option.

Hershey Mortgage

In May 2015, we repaid the mortgages associated with our Hershey outlet center, which were assumed as part of the acquisition of the property in 2011. The maturity date of the mortgages was August 1, 2015 and it had a principal balance at the date of extinguishment of $29.0 million.

Ocean City Mortgage

In July 2015, we repaid the mortgage associated with our Ocean City outlet center, which was assumed as part of the acquisition of the property in 2011. The maturity date of the mortgage was January 6, 2016 and had a principal balance at the date of extinguishment of $17.6 million.

Extension of Unsecured Lines of Credit

In October 2015, we closed on amendments to our unsecured lines of credit, extending the maturity and reducing our interest rate. The maturity date of these facilities was extended from October 2017 to October 2019 with the ability to further extend the maturity date for an additional year at our option. The interest rate was reduced from LIBOR + 1.00% to LIBOR + 0.90% based on our current credit rating and the maximum borrowings to which the syndicated line could be increased through an accordion feature in certain circumstances was increased from $750.0 million to $1.0 billion. Loan origination costs associated with the amendments totaled approximately $2.0 million.

2014 Transactions

Amendment of $250.0 Million Unsecured Term Loan

In July 2014, we entered into an amendment of our $250.0 million unsecured term loan which, at the time, was scheduled to mature in February 2019. The amendment reduced the interest rate on the loan from LIBOR + 1.60% to LIBOR + 1.05%. No other material terms of the loan were amended.

$250.0 Million Unsecured Senior Notes

In November 2014, Tanger Properties Limited Partnership completed a public offering of $250.0 million in senior notes due 2024 in an underwritten public offering. The notes were priced at 99.429% of the principal amount to yield 3.819% to maturity. The notes will pay interest semi-annually at a rate of 3.750% per annum and mature on December 1, 2024. The net proceeds from the offering, after deducting the underwriting discount and offering expenses, were approximately $246.2 million. We used the net proceeds from the sale of the notes to redeem our $250.0 million 6.15% senior notes due November 2015. We recorded a charge of approximately $13.1 million for the make-whole premium related to the early redemption, which was completed in December 2014.

Foxwoods Mortgage

In December 2014, the consolidated joint venture closed on an interest only mortgage loan with the ability to borrow up to $70.3 million at an interest rate of LIBOR + 1.65%. In November 2016, the interest rate was reduced to LIBOR + 1.55% due to us reaching our debt service coverage ratio. The loan initially matures in December 2017, with two one-year extension options.

Debt Maturities

Maturities of the existing long-term debt as of December 31, 2016 for the next five years and thereafter are as follows (in thousands):

Calendar Year	Amount
2017	$ 73,258
2018	62,460
2019	64,369
2020	303,566
2021	330,793
Thereafter	871,552
Subtotal	1,705,998
Net discount and debt origination costs	(18,132)
Total	$ 1,687,866

10. Deferred Financing Obligation

In September 2015, the noncontrolling interest in our outlet center in Deer Park, New York exercised its right to require us to acquire their ownership interest in the property for $28.4 million. We closed on the transaction in January 2016 and repaid the deferred financing obligation, which was recorded in the other liabilities section of our consolidated balance sheet as of December 31, 2015.

11. 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, 2016 and 2015 (notional amounts and fair values in thousands):

					Fair Value	
Effective Date	Maturity Date	Notional Amount	Bank Pay Rate	Company Fixed Pay Rate	2016	2015
Assets (Liabilities)(1):						
November 14, 2013	August 14, 2018	$ 50,000	1 month LIBOR	1.3075 %	$ (119)	$ (212)
November 14, 2013	August 14, 2018	50,000	1 month LIBOR	1.2970 %	(110)	(198)
November 14, 2013	August 14, 2018	50,000	1 month LIBOR	1.3025 %	(115)	(206)
April 13, 2016	January 1, 2021	50,000	1 month LIBOR	1.0390 %	1,227	—
April 13, 2016	January 1, 2021	50,000	1 month LIBOR	1.0395 %	1,226	—
April 13, 2016	January 1, 2021	50,000	1 month LIBOR	1.0400 %	1,222	—
April 13, 2016	January 1, 2021	25,000	1 month LIBOR	0.9915 %	662	—
Total		$ 325,000			$ 3,993	$ (616)

(1) Net asset balances are recorded in prepaids and other assets on the consolidated balance sheets and net liabilities are recorded in other liabilities on the consolidated balance sheets.

In April 2016, we entered into four separate interest rate swap agreements, effective April 13, 2016 that fix the base LIBOR rate at an average of 1.03% on notional amounts totaling $175.0 million through January 1, 2021.

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 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 significant, is recognized directly in earnings. For the year ended December 31, 2016, the ineffective portion was not significant.

The following table represents the effect of the derivative financial instruments on the accompanying consolidated financial statements for the years ended December 31, 2016, 2015 and 2014, respectively (in thousands):

	2016	2015	2014
Interest Rate Swaps (Effective Portion):			
Amount of gain (loss) recognized in OCI on derivative	$ 4,609	$ (711)	$ (2,028)

12. 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 (in thousands):

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Fair value as of December 31, 2016:				
Asset:				
Interest rate swaps (prepaids and other assets)	$ 3,993	$ —	$ 3,993	$ —
Total assets	$ 3,993	$ —	$ 3,993	$ —

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Fair value as of December 31, 2015:				
Liability:				
Interest rate swaps (other liabilities)	$ (616)	$ —	$ (616)	$ —
Total liabilities	$ (616)	$ —	$ (616)	$ —

The estimated fair value and recorded value of our debt as of December 31, 2016 and 2015 were as follows (in thousands):

	2016	2015
Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	$ —	$ —
Level 2 Significant Observable Inputs	1,137,976	836,361
Level 3 Significant Unobservable Inputs	566,668	779,472
Total fair value of debt	$ 1,704,644	$ 1,615,833
Recorded value of debt	$ 1,687,866	$ 1,551,924

Our senior unsecured notes are publicly-traded which provides quoted market rates. However, due to the limited trading volume of these notes, we have classified these instruments as Level 2 in the hierarchy. Our other debt is classified as Level 3 given the unobservable inputs utilized in the valuation. Our unsecured term loan, unsecured lines of credit and variable interest rate mortgages are all LIBOR based instruments. When selecting the discount rates for purposes of estimating the fair value of these instruments, we evaluated the original credit spreads and do not believe that the use of them differs materially from current credit spreads for similar instruments and therefore the recorded values of these debt instruments is considered their fair value.

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.

13. Shareholders' Equity of the Company

As discussed in Note 14, each Class A common limited partnership unit is exchangeable for one common share of the Company. The following table sets forth the number of Class A common limited partnership units exchanged for an equal number of common shares for the years ended December 31, 2016, 2015 and 2014, (in units):

	2016	2015	2014
Exchange of Class A limited partnership units	24,962	25,663	66,606

14. Partners' Equity of the Operating Partnership

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.

The following table sets forth the changes in outstanding partnership units for the years ended December 31, 2016, 2015 and 2014:

	General partnership units	Limited Partnership Units		
		Class A	Class B	Total
Balance December 31, 2013	1,000,000	5,145,012	93,505,685	98,650,697
Units withheld for employee income taxes	—	—	(412,239)	(412,239)
Exchange of Class A limited partnership units	—	(66,606)	66,606	—
Grant of restricted common share awards by the Company, net of forfeitures	—	—	1,302,729	1,302,729
Units issued upon exercise of options	—	—	47,000	47,000
Balance December 31, 2014	1,000,000	5,078,406	94,509,781	99,588,187
Units withheld for employee income taxes	—	—	(31,863)	(31,863)
Exchange of Class A limited partnership units	—	(25,663)	25,663	—
Grant of restricted common share awards by the Company, net of forfeitures	—	—	348,844	348,844
Units issued upon exercise of options	—	—	28,400	28,400
Balance December 31, 2015	1,000,000	5,052,743	94,880,825	99,933,568
Units withheld for employee income taxes	—	—	(66,760)	(66,760)
Exchange of Class A limited partnership units	—	(24,962)	24,962	—
Grant of restricted common share awards by the Company, net of forfeitures	—	—	173,124	173,124
Issuance of deferred units	—	—	24,040	24,040
Units issued upon exercise of options	—	—	59,700	59,700
Balance December 31, 2016	1,000,000	5,027,781	95,095,891	100,123,672

15. 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.

In 2016 and 2015, adjustments of the noncontrolling interest in the Operating Partnership were made as a result of the changes in the Company's ownership of the Operating Partnership from additional units received in connection with the Company's issuance of common shares upon the exercise of options and grants of share-based compensation awards, and additional units received upon the exchange of Class A common limited partnership units of the Operating Partnership into an equal number of common shares of the Company. As discussed in Note 13, for the years ended December 31, 2016 and 2015, Non-Company LPs exchanged 24,962 and 25,663 Class A common limited partnership units of the Operating Partnership, respectively, for an equal number of common shares of the Company.

The changes in the Company's ownership interests in the subsidiaries impacted consolidated equity during the periods shown as follows (in thousands):

	2016	2015
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 193,744	$ 211,200
Decrease in Tanger Factory Outlet Centers, Inc. paid-in-capital adjustments to noncontrolling interests	(389)	(402)
Changes from net income attributable to Tanger Factory Outlet Centers, Inc. and transfers from noncontrolling interest	$ 193,355	$ 210,798

16. 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, 2016, 2015 and 2014 (in thousands, except per share amounts):

	2016	2015	2014
Numerator			
Net income attributable to Tanger Factory Outlet Centers, Inc.	$ 193,744	$ 211,200	$ 74,011
Less allocation of earnings to participating securities	(1,926)	(2,408)	(1,872)
Net income available to common shareholders of Tanger Factory Outlet Centers, Inc.	$ 191,818	$ 208,792	$ 72,139
Denominator			
Basic weighted average common shares	95,102	94,698	93,769
Effect of notional units	175	—	—
Effect of outstanding options and certain restricted common shares	68	61	70
Diluted weighted average common shares	95,345	94,759	93,839
Basic earnings per common share:			
Net income	$ 2.02	$ 2.20	$ 0.77
Diluted earnings per common share:			
Net income	$ 2.01	$ 2.20	$ 0.77

We determine diluted earnings per share based on the weighted average number of common shares outstanding combined with the incremental weighted average shares that would have been outstanding assuming all potentially dilutive securities were converted into common shares at the earliest date possible.

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 and the common shares would be issuable if the end of the reporting period were the end of the contingency period. For the years ended December 31, 2016, 2015, and 2014, 501,446, 859,450 and 644,850 units were excluded from the computation, respectively, because these units would not have been issuable if the end of the reporting period were the end of the contingency period. Notional units granted in 2010 were converted into 933,769 restricted common shares in January 2014. The restricted common shares vested on December 31, 2014 and were considered participating securities through the vesting date.

The effect of dilutive common shares is determined using the treasury stock method whereby outstanding options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such options and the average measured but unrecognized compensation cost during the period are assumed to be used to repurchase our common shares at the average market price during the period. For the years ended December 31, 2016, 2015 and 2014, 141,300, 227,400 and 259,000 options were excluded from the computation, respectively, as they were anti-dilutive. 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.

17. 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, 2016, 2015 and 2014 (in thousands, except per unit amounts):

	2016	2015	2014
Numerator			
Net income attributable to partners of the Operating Partnership	$ 204,031	$ 222,531	$ 78,048
Allocation of earnings to participating securities	(1,928)	(2,413)	(1,873)
Net income available to common unitholders of the Operating Partnership	$ 202,103	$ 220,118	$ 76,175
Denominator			
Basic weighted average common units	100,155	99,777	98,883
Effect of notional units	175	—	—
Effect of outstanding options and certain restricted common units	68	61	70
Diluted weighted average common units	100,398	99,838	98,953
Basic earnings per common unit:			
Net income	$ 2.02	$ 2.21	$ 0.77
Diluted earnings per common unit:			
Net income	$ 2.01	$ 2.20	$ 0.77

We determine diluted earnings per unit based on the weighted average number of common units outstanding combined with the incremental weighted average units that would have been outstanding assuming all potentially dilutive securities were converted into common units at the earliest date possible.

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 and the common shares would be issuable if the end of the reporting period were the end of the contingency period. For the years ended December 31, 2016, 2015, 2014, 501,446, 859,450 and 644,850 units were excluded from the computation, respectively, because these units would not have been issuable if the end of the reporting period were the end of the contingency period. 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. Notional units granted in 2010 were converted into 933,769 restricted common units in January 2014. The restricted common units vested on December 31, 2014 and were considered participating securities through the vesting date.

The effect of dilutive common units is determined using the treasury stock method, whereby outstanding options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such options and the average measured but unrecognized compensation cost during the period are assumed to be used to repurchase our common units at the average market price during 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 years ended December 31, 2016, 2015 and 2014, 141,300, 227,400 and 259,000 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.

18. Equity-Based Compensation

When a common share is 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, 2016, we had granted 7,543,760 options, net of options forfeited; 5,014,072 restricted common share awards, net of restricted common shares forfeited or withheld for employees' tax obligations; and notional units which may result in the issuance of a maximum of 759,176 common shares. Shares remaining available for future issuance totaled 2,082,992 common shares. The amount and terms of the awards granted under the Plan were determined by the Board of Directors (or the Compensation Committee of the Board of Directors).

We recorded equity-based compensation expense in general and administrative expenses in the consolidated statements of operations for the years ended December 31, 2016, 2015 and 2014, respectively, as follows (in thousands):

	2016	2015	2014
Restricted common shares	$ 10,976	$ 11,220	$ 9,978
Notional unit performance awards	3,967	3,030	4,313
Options	376	462	459
Total equity-based compensation	$ 15,319	$ 14,712	$ 14,750

Equity-based compensation expense capitalized as a part of rental property and deferred lease costs were as follows (in thousands):

	2016	2015	2014
Equity-based compensation expense capitalized	$ 985	$ 837	$ 709

As of December 31, 2016, there was $25.1 million of total unrecognized compensation cost related to unvested common equity-based compensation arrangements granted under the Plan. That cost is expected to be recognized over a weighted-average period of 2.0 years.

Restricted Common Share Awards

During 2016, 2015 and 2014, the Company granted 286,524, 357,844 and 373,960 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 four or five year period. For the restricted shares issued to our chief executive officer during 2016, 2015 and 2014, the restricted share agreements require him to hold the shares for a minimum of three years following each applicable vesting date thereof. Compensation expense related to the amortization of the deferred compensation is being recognized in accordance with the vesting schedule of the restricted shares. 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.

The following table summarizes information related to unvested restricted common shares outstanding for the years ended December 31, 2016, 2015, and 2014:

Unvested Restricted Common Shares	Number of shares	Weighted average grant date fair value
Outstanding at December 31, 2013	1,057,966	$ 26.91
Granted[1]	1,307,729	26.50
Vested	(1,266,245)	24.67
Forfeited	—	—
Outstanding at December 31, 2014	1,099,450	$ 29.01
Granted	357,844	36.69
Vested	(371,299)	28.12
Forfeited	—	—
Outstanding at December 31, 2015	1,085,995	$ 31.84
Granted	286,524	29.64
Vested	(388,851)	31.30
Forfeited	(104,400)	34.13
Outstanding at December 31, 2016	879,268	$ 31.09

(1) Includes 933,769 shares granted under the 2010 Multi Year Performance Plan.

The total value of restricted common shares vested during the years ended 2016, 2015 and 2014 was $12.7 million, $13.1 million and $46.6 million, respectively. During 2016, 2015 and 2014, we withheld shares with value equivalent to the employees' minimum statutory obligation for the applicable income and other employment taxes, and remitted the cash to the appropriate taxing authorities. The total number of shares withheld were 66,760, 31,863 and 412,239 for 2016, 2015 and 2014, respectively, and were based on the value of the restricted common shares on the vesting date as determined by our closing share price on the day prior to the vesting date. Total amounts paid for the employees' tax obligation to taxing authorities were $2.2 million, $1.1 million and $15.5 million for 2016, 2015 and 2014, respectively, which is reflected as a financing activity within the consolidated statements of cash flows.

Notional Unit Performance Awards

Outperformance Plan

Every year since 2013, the Compensation Committee of Tanger Factory Outlet Centers, Inc. approved the terms of the Tanger Factory Outlet Centers, Inc. Outperformance Plan (the “OPP"). The OPP is a long-term incentive long-term performance based incentive compensation plan. Recipients may earn units which may convert, subject to the achievement of the goals described below, into 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. Any shares earned at the end of the three-year measurement period are subject to a time based vesting schedule, with 50% of the shares vesting immediately following the measurement period, and the remaining 50% vesting one year thereafter, contingent upon continued employment with the Company through the vesting dates (unless terminated prior thereto (a) by the Company without cause, (b) by participant for good reason or (c) due to death or disability.

The following table sets forth OPP performance targets and other relevant information about each plan:

	2016 OPP	2015 OPP	2014 OPP(1)	2013 OPP (2)
Performance targets (3)				
Absolute portion of award:				
Percent of total award	50%	60%	70%	70%
Absolute share price appreciation range	18% - 35%	25% - 35%	25% - 35%	25% - 35%
Percentage of units to be earned	20%-100%	33%-100%	33%-100%	33%-100%
Relative portion of award:				
Percent of total award	50%	40%	30%	30%
Percentile rank of peer group range (4)	40th - 70th	50th - 70th	50th - 70th	50th - 70th
Percentage of units to be earned	20%-100%	33%-100%	33%-100%	33%-100%
Maximum number of restricted common shares that may be earned	321,900	306,600	329,700	315,150
Grant date fair value per share	$ 15.10	$ 15.85	$ 14.71	$ 13.99

(1) On December 31, 2016, the measurement period for the 2014 OPP expired. Based on the Company's absolute share price appreciation (or total shareholder return) over the three year measurement period, we issued 184,455 restricted common shares in January 2017, with94,663 vesting immediately and the remaining 89,792 vesting in January one year thereafter, contingent upon continued employment with the Company through the vesting date (unless terminated prior thereto (a) by the Company without cause, (b) by participant for good reason or (c) due to death or disability). Our relative total shareholder return for the 2014 OPP did not meet the minimum share price appreciation and no shares were earned under this component of the 2014 OPP.

(2) On December 31, 2015, the measurement period for the 2013 OPP expired and neither of the Company's absolute nor relative total shareholder returns were sufficient for employees to earn, and therefore become eligible to vest in, any restricted shares under the plan. Accordingly, all 2013 OPP performance awards were automatically forfeited.

(3) The performance shares for the OPP 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.

(4) The peer group is based on companies included in the SNL Equity REIT index.

The fair values of the OPP awards granted during the years ended December 31, 2016, 2015, and 2014 were determined at the grant dates using a Monte Carlo simulation pricing model and the following assumptions:

	2016	2015	2014
Risk free interest rate (1)	1.05%	0.86%	0.67%
Expected dividend yield (2)	3.1%	2.7%	2.8%
Expected volatility (3)	21%	20%	27%

(1) Represents the interest rate as of the grant date on US treasury bonds having the same life as the estimated life of the restricted unit grants.

(2) The dividend yield is calculated utilizing the dividends paid for the previous five-year period.

(3) Based on a mix of historical and implied volatility for our common shares and the common shares of our peer index companies over the measurement period.

The following table sets forth OPP activity for the years ended December 31, 2016, 2015, and 2014:

Unvested OPP Awards [1]	Number of units	Weighted average grant date fair value
Outstanding as of December 31, 2013	315,150	$ 13.99
Awarded	329,700	14.71
Forfeited	—	—
Outstanding as of December 31, 2014	644,850	$ 14.36
Awarded	306,600	15.85
Forfeited	(407,150)	14.28
Outstanding as of December 31, 2015	544,300	$ 15.26
Awarded	321,900	15.10
Forfeited	(107,024)	14.77
Outstanding as of December 31, 2016	759,176	$ 15.36

(1) Excludes the 2010 Multi Year Performance Plan that had a four year measurement period.

2010 Multi Year Performance Plan

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 vested on December 31, 2014 contingent on continued employment through the vesting date. The fair value of the awards were calculated using a Monte Carlo simulation pricing model.

Option Awards

In February 2014, the Company granted 282,500 options to non-executive employees of the Company. The exercise price of the options granted during the first quarter of 2014 was $32.02 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: expected dividend yield 2.8%; expected life of 7 years; expected volatility of 32%; a risk-free rate of 2.46%; and forfeiture rates of 3.0% to 13.5% dependent upon the employee's position within the Company.

Options outstanding at December 31, 2016 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
$ 26.06	63,200	$ 26.06	4.15	63,200	$ 26.06
32.02	179,000	32.02	7.00	52,400	32.02
	242,200	$ 30.46	6.26	115,600	$ 28.76

A summary of option activity under the Plan for the years ended December 31, 2016, 2015, and 2014 (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, 2013	166,300	24.13		
Granted	282,500	32.02		
Exercised	(47,000)	19.22		
Forfeited	(31,300)	31.11		
Outstanding as of December 31, 2014	370,500	$ 30.20	8.12	$ 2,759
Granted	—	—		
Exercised	(28,400)	27.76		
Forfeited	(23,700)	$ 31.58		
Outstanding as of December 31, 2015	318,400	$ 30.32	7.19	$ 924
Granted	—	—		
Exercised	(59,700)	29.31		
Forfeited	(16,500)	31.86		
Outstanding as of December 31, 2016	242,200	$ 30.46	6.26	$ 1,287
Vested and Expected to Vest as of December 31, 2016	231,064	$ 30.39	6.22	$ 1,245
Exercisable as of December 31, 2016	115,600	$ 28.76	5.44	$ 811

The total intrinsic value of options exercised during the years ended December 31, 2016, 2015 and 2014 was $469,000, $200,000 and $724,000, respectively.

401(k) Retirement Savings Plan

We have a 401(k) Retirement Savings Plan covering substantially all employees who meet certain age and employment criteria. An employee may invest pretax earnings in the 401(k) plan up to the maximum legal limits (as defined by Federal regulations). This plan allows participants to defer a portion of their compensation and to receive matching contributions for a portion of the deferred amounts. During the years ended December 31, 2016, 2015 and 2014, we contributed approximately $828,000, $742,000 and $703,000, respectively, to the 401(k) Retirement Savings Plan.

19. Accumulated Other Comprehensive Income (Loss) of the Company

The following table presents changes in the balances of each component of accumulated comprehensive income for the years ended December 31, 2016, 2015, and 2014 (in thousands):

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive (Income) Loss		
	Foreign currency	Cash flow hedges	Total	Foreign currency	Cash flow hedges	Total
Balance December 31, 2013	$ (4,590)	$ 2,162	$ (2,428)	$ (254)	$ (39)	$ (293)
Other comprehensive income (loss) before reclassifications	(9,523)	(2,874)	(12,397)	(519)	(158)	(677)
Reclassification out of accumulated other comprehensive income into interest expense	—	802	802	—	202	202
Balance December 31, 2014	(14,113)	90	(14,023)	(773)	5	(768)
Other comprehensive income (loss) before reclassifications	(22,017)	(2,279)	(24,296)	(1,183)	(122)	(1,305)
Reclassification out of accumulated other comprehensive income into interest expense	—	1,604	1,604	—	86	86
Balance December 31, 2015	(36,130)	(585)	(36,715)	(1,956)	(31)	(1,987)
Other comprehensive income (loss) before reclassifications	4,043	2,539	6,582	216	135	351
Reclassification out of accumulated other comprehensive income into interest expense	—	1,838	1,838	—	97	97
Balance December 31, 2016	$ (32,087)	$ 3,792	$ (28,295)	$ (1,740)	$ 201	$ (1,539)

We expect within the next twelve months to reclassify into earnings as a decrease to interest expense approximately $1.1 million of the amounts recorded within accumulated other comprehensive income related to the interest rate swap agreements in effect and as of December 31, 2016.

20. Accumulated Other Comprehensive Income (Loss) of the Operating Partnership

The following table presents changes in the balances of each component of accumulated comprehensive income for the years ended December 31, 2016, 2015, and 2014 (in thousands):

	Foreign currency	Cash flow hedges	Accumulated other comprehensive income (loss)
Balance December 31, 2013	$ (4,844)	$ 2,123	$ (2,721)
Other comprehensive income (loss) before reclassifications	(10,042)	(3,032)	(13,074)
Reclassification out of accumulated other comprehensive income into interest expense	—	1,004	1,004
Balance December 31, 2014	(14,886)	95	(14,791)
Other comprehensive income (loss) before reclassifications	(23,200)	(2,401)	(25,601)
Reclassification out of accumulated other comprehensive income into interest expense	—	1,690	1,690
Balance December 31, 2015	(38,086)	(616)	(38,702)
Other comprehensive income (loss) before reclassifications	4,259	2,674	6,933
Reclassification out of accumulated other comprehensive income into interest expense	—	1,935	1,935
Balance December 31, 2016	$ (33,827)	$ 3,993	$ (29,834)

We expect within the next twelve months to reclassify into earnings as a decrease to interest expense approximately $1.1 million of the amounts recorded within accumulated other comprehensive income related to the interest rate swap agreements in effect and as of December 31, 2016.

21. Supplementary Income Statement Information

The following amounts are included in property operating expenses for the years ended December 31, 2016, 2015 and 2014 (in thousands):

	2016	2015	2014
Advertising and promotion	$ 29,108	$ 29,144	$ 25,431
Common area maintenance	70,616	68,886	65,980
Real estate taxes	28,542	26,168	25,644
Other operating expenses	23,751	22,305	20,367
	$ 152,017	$ 146,503	$ 137,422

22. Lease Agreements

As of December 31, 2016, we were the lessor to over 2,600 stores in our 36 consolidated outlet centers, under operating leases with initial terms that expire from 2017 to 2033. Future minimum lease receipts under non-cancelable operating leases as of December 31, 2016, excluding the effect of straight-line rent and percentage rentals, are as follows (in thousands):

2017	$	286,805
2018		256,564
2019		222,617
2020		199,932
2021		168,047
Thereafter		480,738
	$	1,614,703

23. Commitments and Contingencies

Commitments and Contingencies of Consolidated Properties

Leases and capital expenditure commitments

Our non-cancelable operating leases, with initial terms in excess of one year, have terms that expire from 2017 to 2101. Annual rental payments for these leases totaled approximately $7.0 million, $6.4 million and $6.0 million, for the years ended December 31, 2016, 2015 and 2014, respectively. The majority of our rental payments are related to ground leases at the following outlet centers: Myrtle Beach Hwy 17, Atlantic City, Ocean City, Sevierville, Riverhead , Foxwoods and Rehoboth Beach.

Minimum lease payments for the next five years and thereafter are as follows (in thousands):

		Operating Leases
2017	$	6,709
2018		6,334
2019		6,237
2020		6,217
2021		6,258
Thereafter		303,509
Total minimum payment	$	335,264

Commitments to complete construction of our ongoing capital projects and other capital expenditure requirements amounted to approximately $111.6 million at December 31, 2016.

Litigation

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 consolidated financial statements. We record a liability in our consolidated financial statements for these matters when a loss is known or considered probable and the amount can be reasonably estimated. We review these estimates each accounting period as additional information is known and adjust the loss provision when appropriate. If a matter is both probable to result in a liability and the amounts of loss can be reasonably estimated, we estimate and disclose the possible loss or range of loss to the extent necessary to make the consolidated financial statements not misleading. If the loss is not probable or cannot be reasonably estimated, a liability is not recorded in our consolidated financial statements.

Employment Agreements

We are party to employment agreements with certain executives that provide for compensation and certain other benefits. The agreements also provide for severance payments under certain circumstances.

Commitments and Contingencies of Unconsolidated Properties

Capital expenditure commitments

Contractual commitments for ongoing capital projects and other capital expenditure requirements related to our unconsolidated joint ventures amounted to approximately $10.2 million at December 31, 2016, of which our portion was approximately $5.1 million. Contractual commitments represent only those costs subject to contracts which are legal binding agreements as of December 31, 2016 and do not necessary represent the total cost to complete the projects.

Debt

We provide guarantees 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 guarantees include terms for release based upon satisfactory completion of construction and performance targets including occupancy thresholds and minimum debt service coverage tests. Our joint ventures may contain make whole provisions in the event that demands are made on any existing guarantees. As of December 31, 2016, the maximum amount of joint venture debt guaranteed by the Company is $28.0 million.

24. Subsequent Events

In January 2017, the Company's Board of Directors declared a $0.325 cash dividend per common share payable on February 15, 2017 to each shareholder of record on January 31, 2017, and the Trustees of Tanger GP Trust declared a $0.325 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders.

25. 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, 2016 and 2015 (unaudited and in thousands, except per common share data)[1]. This information is not required for the Operating Partnership:

	Year Ended December 31, 2016 [1]			
	First Quarter[2]	Second Quarter[3]	Third Quarter[4]	Fourth Quarter
Total revenues	$ 110,805	$ 111,333	$ 119,137	$ 124,559
Operating income	34,799	38,340	39,875	38,263
Net income	28,617	77,302	72,774	25,636
Income attributable to Tanger Factory Outlet Centers, Inc.	27,150	73,417	69,104	24,073
Income available to common shareholders of Tanger Factory Outlet Centers, Inc.	26,856	72,692	68,477	23,793
Basic earnings per common share:				
Net income	$ 0.28	$ 0.76	$ 0.72	$ 0.25
Diluted earnings per common share:				
Net income	$ 0.28	$ 0.76	$ 0.72	$ 0.25

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

(2) In the first quarter of 2016, net income includes a gain of $4.9 million on the sale of our outlet center in Fort Myers, Florida.

(3) In the second quarter of 2016, net income includes a gain of $49.3 million on the acquisition of our other venture partners' equity interests in the Westgate joint venture.

(4) In the third quarter of 2016, net income includes a gain of $46.3 million on the acquisition of our other venture partners' equity interests in the Savannah joint venture and a $1.4 million gain on the sale of an outparcel at our outlet center in Myrtle Beach, South Carolina located on Highway 501.

	Year Ended December 31, 2015 (1)			
	First Quarter(2)	Second Quarter	Third Quarter(3)	Fourth Quarter(4)
Total revenues	$ 105,926	$ 107,736	$ 112,906	$ 112,801
Operating income	32,900	36,894	36,376	38,291
Net income	36,386	25,359	46,460	113,963
Income attributable to Tanger Factory Outlet Centers, Inc.	34,512	24,481	44,075	108,132
Income available to common shareholders of Tanger Factory Outlet Centers, Inc.	34,104	24,173	43,581	106,934
Basic earnings per common share :				
Net income	$ 0.36	$ 0.26	$ 0.46	$ 1.13
Diluted earnings per common share:				
Net income	$ 0.36	$ 0.26	$ 0.46	$ 1.13

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

(2) In the first quarter of 2015, net income includes a gain of$13.7 million, on the sale of our equity interest in the unconsolidated joint venture that owned the Wisconsin Dells outlet center.

(3) In the third quarter of 2015, net income includes a gain of$20.2 million on the sale of our Kittery I and II, Tuscola, and West Branch outlet centers.

(4) In the fourth quarter of 2015, net income includes a gain of $86.5 million on the sale of our Barstow outlet center.

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, 2016 (in thousands)

Description			Initial cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period December 31, 2016 [1]					
Outlet Center Name	Location	Encum-brances [2]	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	$ 43,286	$ —	$ 125,988	$ —	$ 4,562	$ —	$ 130,550	$ 130,550	$ 24,605	2011 [4]	[3]
Blowing Rock	Blowing Rock, NC	—	1,963	9,424	—	8,586	1,963	18,010	19,973	9,496	1997 [4]	[3]
Branson	Branson, MO	—	4,407	25,040	396	22,145	4,803	47,185	51,988	28,592	1994	[3]
Charleston	Charleston, SC	—	10,353	48,877	—	13,836	10,353	62,713	73,066	26,185	2006	[3]
Commerce	Commerce, GA	—	1,262	14,046	707	34,441	1,969	48,487	50,456	30,109	1995	[3]
Daytona Beach	Daytona Beach, FL	—	9,913	80,547	—	—	9,913	80,547	90,460	741	2016	[3]
Deer Park	Deer Park, NY	—	82,413	173,044	—	8,281	82,413	181,325	263,738	25,010	2013 [4]	[3]
Foley	Foley, AL	—	4,400	82,410	693	42,161	5,093	124,571	129,664	50,272	2003 [4]	[3]
Fort Worth	Fort Worth, TX	—	—	19,756	—	—	—	19,756	19,756	—	2017 [5]	[3]
Foxwoods	Mashantucket, CT	69,902	—	130,562	—	553	—	131,115	131,115	8,999	2015	[3]
Gonzales	Gonzales, LA	—	679	15,895	—	35,055	679	50,950	51,629	29,743	1992	[3]
Grand Rapids	Grand Rapids, MI	—	8,180	75,420	—	—	8,180	75,420	83,600	5,978	2015	[3]
Hershey	Hershey, PA	—	3,673	48,186	—	3,430	3,673	51,616	55,289	10,633	2011[4]	[3]
Hilton Head I	Bluffton, SC	—	4,753	—	—	33,351	4,753	33,351	38,104	10,936	2011	[3]
Hilton Head II	Bluffton, SC	—	5,128	20,668	—	10,160	5,128	30,828	35,956	14,149	2003 [4]	[3]
Howell	Howell, MI	—	2,250	35,250	—	12,006	2,250	47,256	49,506	21,633	2002 [4]	[3]
Jeffersonville	Jeffersonville, OH	—	2,752	111,276	—	7,668	2,752	118,944	121,696	22,437	2011 [4]	[3]
Lancaster	Lancaster, PA	—	3,691	19,907	—	31,718	3,691	51,625	55,316	25,138	1994 [4]	[3]
Locust Grove	Locust Grove, GA	—	2,558	11,801	—	27,881	2,558	39,682	42,240	24,388	1994	[3]
Mebane	Mebane, NC	—	8,821	53,362	—	2,971	8,821	56,333	65,154	20,087	2010	[3]
Myrtle Beach Hwy 17	Myrtle Beach, SC	—	—	80,733	—	6,883	—	87,616	87,616	26,662	2009 [4]	[3]
Myrtle Beach Hwy 501	Myrtle Beach, SC	—	8,781	56,798	—	36,998	8,781	93,796	102,577	38,241	2003 [4]	[3]
Nags Head	Nags Head, NC	—	1,853	6,679	—	6,150	1,853	12,829	14,682	7,879	1997 [4]	[3]
Ocean City	Ocean City, MD	—	—	16,334	—	8,069	—	24,403	24,403	5,701	2011 [4]	[3]

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, 2016 (in thousands)

Description			Initial cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)		Gross Amount Carried at Close of Period December 31, 2016 (1)					
Outlet Center Name	Location	Encum-brances (2)	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
Park City	Park City, UT	—	6,900	33,597	343	26,883	7,243	60,480	67,723	23,481	2003 (4)	(3)
Pittsburgh	Pittsburgh, PA	—	5,528	91,288	3	13,488	5,531	104,776	110,307	44,450	2008	(3)
Rehoboth Beach	Rehoboth Beach, DE	—	20,600	74,209	1,875	45,194	22,475	119,403	141,878	43,356	2003 (4)	(3)
Riverhead	Riverhead, NY	—	—	36,374	6,152	124,490	6,152	160,864	167,016	84,127	1993	(3)
San Marcos	San Marcos, TX	—	1,801	9,440	2,301	58,170	4,102	67,610	71,712	39,226	1993	(3)
Savannah	Pooler, GA	—	8,556	167,780	—	1,408	8,556	169,188	177,744	1,892	2016 (4)	(3)
Sevierville	Sevierville, TN	—	—	18,495	—	48,469	—	66,964	66,964	35,187	1997 (4)	(3)
Seymour	Seymour, IN	—	200	—	—	—	200	—	200	—	1994	(3)
Southaven	Southaven, MS	58,957	14,959	62,042	—	5,193	14,959	67,235	82,194	4,527	2015	(3)
Terrell	Terrell, TX	—	523	13,432	—	9,681	523	23,113	23,636	17,654	1994	(3)
Tilton	Tilton, NH	—	1,800	24,838	29	11,249	1,829	36,087	37,916	15,767	2003 (4)	(3)
Westbrook	Westbrook, CT	—	6,264	26,991	4,233	7,419	10,497	34,410	44,907	15,164	2003 (4)	(3)
Westgate	Glendale, AZ	—	19,037	140,337	—	6	19,037	140,343	159,380	2,200	2016 (4)	(3)
Williamsburg	Williamsburg, IA	—	706	6,781	717	17,592	1,423	24,373	25,796	19,938	1991	(3)
		$ 172,145	$254,704	$1,967,607	$17,449	$ 726,147	$272,153	$2,693,754	$2,965,907	$ 814,583		

(1) Aggregate cost for federal income tax purposes is approximately $3.0 billion.
(2) Including premiums and net of debt discount of and net debt origination costs.
(3) 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.
(4) Represents year acquired.
(5) 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, 2016
(in thousands)

The changes in total real estate for the years ended December 31, 2016, 2015 and 2014 are as follows:

	2016	2015	2014
Balance, beginning of year	$ 2,513,217	$ 2,263,603	$ 2,249,819
Acquisitions	335,710	—	—
Improvements	163,187	245,391	160,560
Dispositions and reclasses to and from rental property held for sale	(46,207)	4,223	(146,776)
Balance, end of year	$ 2,965,907	$ 2,513,217	$ 2,263,603

The changes in accumulated depreciation for the years ended December 31, 2016, 2015 and 2014 are as follows:

	2016	2015	2014
Balance, beginning of year	$ 748,341	$ 662,236	$ 654,631
Depreciation for the period	96,813	85,872	80,057
Dispositions and reclasses to and from rental property held for sale	(30,571)	233	(72,452)
Balance, end of year	$ 814,583	$ 748,341	$ 662,236

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 number of REIT Shares so issued divided by the Exchange Factor, 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 Other Matters Concerning the General Partner

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

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

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

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

Section 7.10 Title to Partnership Assets

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

Section 7.11 Reliance by Third Parties

Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies which may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

Article 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 Limitation of Liability

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

Section 8.2 Management of Business

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

Section 8.3 Outside Activities of Limited Partners

Subject to any agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Initial General Partner, the Partnership or a Subsidiary, any Limited Partner and any officer, director, employee, agent, trustee, Affiliate or shareholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership. Neither the Partnership nor any Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person, other than the General Partner, and such Person shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures to the Partnership, any Limited Partner or any such other Person, even if such opportunity is of a character which, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.4 Return of Capital

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

Section 8.5 Rights of Limited Partners Relating to the Partnership

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

(1) to obtain a copy of the most recent annual and quarterly reports filed with the Securities and Exchange Commission by the Initial General Partner pursuant to the Securities Exchange Act of 1934, as amended, and each communication sent to the shareholders of the Initial General Partner;

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

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

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

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

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

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

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

Section 8.6 Exchange Rights

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

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

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

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

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

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

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

Article 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 Records and Accounting

The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 9.3 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form of, punch cards, magnetic tape, photographs, micrographics or any other information storage device; provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

Section 9.2 Fiscal Year

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

Section 9.3 Reports

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

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

Article 10
TAX MATTERS

Section 10.1 Preparation of Tax Returns

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable efforts to furnish, within 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 12.1

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Year ended December 31,				
	2016	2015	2014	2013	2012
Earnings:					
Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests (1) (2) (3)	$ 193,457	$ 210,684	$ 69,099	$ 102,281	$ 59,771
Add:					
Distributed income of unconsolidated joint ventures	13,662	12,137	9,586	5,853	1,005
Amortization of capitalized interest	675	635	517	513	509
Interest expense	60,669	54,188	57,931	51,616	49,814
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total earnings	270,762	279,905	139,252	162,341	113,007
Fixed charges:					
Interest expense	60,669	54,188	57,931	51,616	49,814
Capitalized interest and capitalized amortization of debt issue costs	2,382	3,791	5,318	1,628	1,233
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total fixed charges	$ 65,350	$ 60,240	$ 65,368	$ 55,322	$ 52,955
Ratio of earnings to fixed charges	4.1	4.6	2.1	2.9	2.1
Earnings:					
Income before equity in earnings of unconsolidated joint ventures, noncontrolling interests(1) (2) (3)	$ 193,457	$ 210,684	$ 69,099	$ 102,281	$ 59,771
Add:					
Distributed income of unconsolidated joint ventures	13,662	12,137	9,586	5,853	1,005
Amortization of capitalized interest	675	635	517	513	509
Interest expense	60,669	54,188	57,931	51,616	49,814
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total Earnings	270,762	279,905	139,252	162,341	113,007
Fixed charges and preferred share dividends:					
Interest expense	60,669	54,188	57,931	51,616	49,814
Capitalized interest and capitalized amortization of debt issue costs	2,382	3,791	5,318	1,628	1,233
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total combined fixed charges and preferred share dividends	$ 65,350	$ 60,240	$ 65,368	$ 55,322	$ 52,955
Ratio of earnings to combined fixed charges and preferred share dividends	4.1	4.6	2.1	2.9	2.1

(1) Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2016, includes a gain on previously held interest in acquired joint ventures of $93.5 million associated with the acquisition of our Savannah and Westgate joint ventures, a $4.9 million gain on the sale of our outlet center in Fort Myers, Florida located near Sanibel Island, and a $1.4 million gain on the sale an outparcel at our outlet center in Myrtle Beach, South Carolina located on Highway 501.

(2) Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2015, includes a gain of approximately $120.4 million on the sale of our equity interest in the Wisconsin Dells joint venture and on the sale of our Kittery I & II, Tuscola, West Branch and Barstow outlet centers.

(3) Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2014 includes a $7.5 million gain on the sale of our Lincoln City outlet center and a $13.1 million loss on early extinguishment of debt related to the early redemption of senior notes due November 2015.

(4) Income before equity in earnings 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.

Exhibit 12.2

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges
(in thousands, except ratios)

	Year ended December 31,				
	2016	2015	2014	2013	2012
Earnings:					
Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests (1) (2) (3)	$ 193,457	$ 210,684	$ 69,099	$ 102,281	$ 59,771
Add:					
Distributed income of unconsolidated joint ventures	13,662	12,137	9,586	5,853	1,005
Amortization of capitalized interest	675	635	517	513	509
Interest expense	60,669	54,188	57,931	51,616	49,814
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total earnings	270,762	279,905	139,252	162,341	113,007
Fixed charges:					
Interest expense	60,669	54,188	57,931	51,616	49,814
Capitalized interest and capitalized amortization of debt issue costs	2,382	3,791	5,318	1,628	1,233
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total fixed charges	$ 65,350	$ 60,240	$ 65,368	$ 55,322	$ 52,955
Ratio of earnings to fixed charges	4.1	4.6	2.1	2.9	2.1
Earnings:					
Income before equity in earnings of unconsolidated joint ventures(1) (2) (3)	$ 193,457	$ 210,684	$ 69,099	$ 102,281	$ 59,771
Add:					
Distributed income of unconsolidated joint ventures	13,662	12,137	9,586	5,853	1,005
Amortization of capitalized interest	675	635	517	513	509
Interest expense	60,669	54,188	57,931	51,616	49,814
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total earnings	270,762	279,905	139,252	162,341	113,007
Fixed charges and preferred unit distributions:					
Interest expense	60,669	54,188	57,931	51,616	49,814
Capitalized interest and capitalized amortization of debt issue costs	2,382	3,791	5,318	1,628	1,233
Portion of rent expense - interest factor	2,299	2,261	2,119	2,078	1,908
Total combined fixed charges and preferred unit distributions	$ 65,350	$ 60,240	$ 65,368	$ 55,322	$ 52,955
Ratio of earnings to combined fixed charges and preferred unit distributions	4.1	4.6	2.1	2.9	2.1

(1) Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2016, includes a gain on previously held interest in acquired joint ventures of $93.5 million associated with the acquisition of our Savannah and Westgate joint ventures, a $4.9 million gain on the sale of our outlet center in Fort Myers, Florida located near Sanibel Island, and $1.4 million gain on the sale an outparcel at our outlet center in Myrtle Beach, South Carolina located on Highway 5016.

(2) Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2015, includes a gain of approximately $120.4 million on the sale of our equity interest in the Wisconsin Dells joint venture and on the sale of our Kittery I & II, Tuscola, West Branch and Barstow outlet centers.

(3) Income before equity in earnings of unconsolidated joint ventures and noncontrolling interests for the period ended December 31, 2014 includes a $7.5 million gain on the sale of our Lincoln City outlet center and a $13.1 million loss on early extinguishment of debt related to the early redemption of senior notes due November 2015.

(4) Income before equity in earnings 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.

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
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
Tanger Canada 5, LLC
Mid-South Outlet Holdings, LLC
Mid-South Outlet Shops, LLC
Desoto Mid-South Tourism Project, LLC
Hobbs Solar, LLC
Tanger Daytona, LLC
Tanger Jeffersonville, LLC
Tanger Fort Worth, LLC
Tanger Terrell, LLC
Tanger Branson, LLC
Tanger Management, LLC
Tanger Omaha, LLC
Tanger Services, Inc.
Tanger Detroit, LLC
BOG Arches, 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
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
Tanger Canada 5, LLC
Mid-South Outlet Holdings, LLC
Mid-South Outlet Shops, LLC
Desoto Mid-South Tourism Project, LLC
Hobbs Solar, LLC
Tanger Daytona, LLC
Tanger Jeffersonville, LLC
Tanger Fort Worth, LLC
Tanger Terrell, LLC
Tanger Branson, LLC
Tanger Management, LLC
Tanger Omaha, LLC
Tanger Services, Inc.
Tanger Detroit, LLC
BDG Arches, LLC

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-197713, 333-126924, and 333-91863 on Form S-8 and No. 333-204649 on Form S-3 of our report dated February 23, 2017, relating to the consolidated financial statements and financial statement schedule of Tanger Factory Outlet Centers, Inc. and subsidiaries (the “Company”), and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Tanger Factory Outlet Centers, Inc. and subsidiaries for the year ended December 31, 2016.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 23, 2017

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-204649-01 on Form S-3 of our report dated February 23, 2017, relating to the consolidated financial statements and financial statement schedule of Tanger Properties Limited Partnership and subsidiaries (the “Operating Partnership”), and the effectiveness of the Operating Partnership's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Tanger Properties Limited Partnership and subsidiaries for the year ended December 31, 2016.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 23, 2017

EXHIBIT 23.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-197713, 333-126924, and 333-91863) and Form S-3 (No. 333-204649) of Tanger Factory Outlet Centers, Inc. of our report dated February 23, 2017, relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
February 23, 2017

EXHIBIT 23.4

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-204649-01) of Tanger Properties Limited Partnership of our report dated February 23, 2017, relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina
February 23, 2017

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, 2016;

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: February 23, 2017

/s/ Steven B. Tanger
Steven B. Tanger
President and Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

Exhibit 31.2

I, James F. Williams, 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, 2016;

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: February 23, 2017

/s/ James F. Williams
James F. Williams
Senior 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, 2016;

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: February 23, 2017

/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, James F. Williams, certify that:

1 I have reviewed this annual report on Form 10-K of Tanger Properties Limited Partnership for the year ended December 31, 2016;

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: February 23, 2017

/s/ James F. Williams

James F. Williams

Vice-President and Treasurer

Tanger GP Trust, sole general partner of the Operating Partnership
(Principal Financial and Accounting 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, 2016 (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: February 23, 2017

/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, 2016 (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: February 23, 2017

/s/ James F. Williams

James F. Williams
Senior 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, 2016 (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: February 23, 2017

/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, 2016 (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:	February 23, 2017	/s/ James F. Williams
		James F. Williams Vice President and Treasurer Tanger GP Trust, sole general partner of the Operating Partnership (Principal Financial and Accounting Officer)