

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, 1997  
OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-11986

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

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

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

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

(336) 274-1666  
(Registrant's telephone number)

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

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

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

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

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

The aggregate market value of voting shares held by nonaffiliates of the Registrant was approximately \$193,306,000 based on the closing price on the New York Stock Exchange for such stock on February 26, 1998.

The number of Common Shares of the Registrant outstanding as of February 26, 1998 was 7,856,706.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Shareholders to be held May 8, 1998.

PART I

ITEM 1. BUSINESS

THE COMPANY

Tanger Factory Outlet Centers, Inc. (the "Company"), a fully-integrated, self-administered and self-managed real estate investment trust ("REIT"), focuses exclusively on developing, acquiring, owning and operating factory outlet centers, and provides all development, leasing and management services for its centers. According to Value Retail News, an industry publication, the Company is one of the largest owners and operators of factory outlet centers in the United States. As of December 31, 1997, the Company owned and operated 30 factory outlet centers (the "Centers") with a total gross leasable area ("GLA") of approximately 4.6 million square feet. These centers were approximately 98% leased, contained over 1,210 stores and represented over 250 brand name companies as of such date.

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

business, employees and properties of the Operating Partnership.

The Company is the sole managing general partner of the Operating Partnership and The Tanger Family Limited Partnership ("TFLP") is the sole limited partner. As of December 31, 1997, the ownership interests in the Operating Partnership (the "Units") consisted of 7,853,936 partnership Units and 90,689 preferred partnership Units (which are convertible into approximately 817,108 general partnership Units) held by the Company and 3,033,305 partnership Units held by the limited partner. The Units held by the limited partner are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, into Common Shares. See "Business-The Operating Partnership". Management of the Company beneficially owns approximately 27% of all outstanding Common Shares (assuming the Series A Preferred Shares and the limited partner's Units are exchanged for Common Shares but without giving effect to the exercise of any outstanding stock and partnership Unit options).

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

The Company's executive offices are located at 1400 West Northwood Street, Greensboro, North Carolina, 27408 and its telephone number is (336) 274-1666. The Company is a North Carolina corporation that was formed in March 1993.

#### RECENT DEVELOPMENTS

During 1997, the Company acquired three centers in resort areas totaling 302,554 square feet. Five Oaks Factory Stores, a factory outlet center in Sevierville, Tennessee, was acquired in February 1997 at a purchase price of \$18 million. Shoppes on the Parkway, a factory outlet center in Blowing Rock, North Carolina, and Soundings Factory Stores, a factory outlet center in Nags Head, North Carolina, were acquired in September 1997 for an aggregate purchase price of \$19.5 million.

In addition, the Company has completed, or has under construction to be completed by the end of the first quarter of 1998, the expansion of five existing centers totaling 538,979 square feet. A summary of the 1997 acquired centers and expansions is recapped below:

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1997 DEVELOPMENT -----	Aggregate Size (sq. ft.) -----	Open at 12/31/97 (sq. ft.) -----
ACQUISITIONS		
Sevierville, TN	122,684	122,684
Blowing Rock, NC	97,408	97,408
Nags Head, NC	82,462	82,462
	-----	-----
	302,554	302,554
	-----	-----
EXPANSIONS		
Riverhead, NY	345,164	284,745
Commerce, GA	94,247	58,455
Sevierville, TN	50,357	25,060
Lancaster, PA	26,111	23,434
San Marcos, TX	23,100	11,000
	-----	-----
	538,979	402,694
	-----	-----
	841,533	705,248
	=====	=====

The Company also is in the process of developing plans for additional expansions and new centers for completion in 1998 and beyond. Currently, the Company is in the preleasing stages for future centers at two potential sites located in Concord, North Carolina (Charlotte) and Romulus, Michigan (Detroit) and for further expansions of four existing centers. However, there can be no assurance that any of these anticipated or planned developments or expansions will be started or completed as scheduled, or that any development or expansion will result in accretive funds from operations. In addition, the Company regularly evaluates acquisition proposals, engages from time to time in negotiations for acquisitions and may from time to time enter into letters of intent for the purchase of properties. No assurance can be given that any of the prospective acquisitions that are being evaluated or which are subject to a letter of intent will be consummated, or if consummated, will result in accretive funds from operations.

During September and October 1997, the Company completed a public offering of 1,080,000 Common Shares at a price of \$29.0625 per share, receiving net proceeds

of approximately \$29.2 million. The net proceeds were used to acquire, expand and develop factory outlet centers and for general corporate purposes. On October 24, the Operating Partnership issued \$75 million of 7.875% senior, unsecured notes, maturing October 24, 2004. The net proceeds were used to repay substantially all amounts outstanding under the Company's existing lines of credit. On November 3, 1997, the Company and the Operating Partnership filed a new registration statement with the SEC to provide an issuance capacity under shelf registration statements back to the original \$100 million in equity securities and \$100 million in debt securities.

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

#### THE FACTORY OUTLET CONCEPT

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

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The Company's factory outlet centers range in size from 8,000 to 631,359 square feet of GLA and are typically located at least 10 miles from downtown areas, where major department stores and manufacturer-owned full-price retail stores are usually located. Manufacturers prefer these locations so that they do not compete directly with their major customers and their own stores. Many of the Company's factory outlet centers are located near tourist destinations to attract tourists who consider shopping to be a recreational activity and are typically situated in close proximity to interstate highways to provide accessibility and visibility to potential customers.

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

#### THE COMPANY'S FACTORY OUTLET CENTERS

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

As of December 31, 1997, the Company had a diverse tenant base comprised of over 250 different well-known, upscale, national designer or brand name companies, such as Liz Claiborne, Reebok International, Ltd., Tommy Hilfiger, Polo Ralph Lauren, Off 5th- SAKS Fifth Avenue Outlet Store, The Gap, Nautica and Nike. A majority of the factory outlet stores leased by the Company are directly operated by the respective manufacturer. During 1997, the Company added approximately 55 new national designers and brand name companies to its tenant base.

No single tenant (including affiliates) accounted for 10% or more of combined base and percentage rental revenues during 1997 and 1996. During 1995, one tenant (including affiliates) accounted for approximately 10% of combined base and percentage rental revenues. As of February 1, 1998, the Company's largest tenant accounted for approximately 6.8% of its GLA. Because the typical tenant of the Company is a large, national manufacturer, the Company has not experienced any material problems with respect to rent collections or lease defaults.

Minimum base rental revenues and operating expense reimbursements accounted for approximately 96% of the Company's total revenues in 1997. Percentage rental revenues accounted for approximately 3% of 1997 revenues. As a result, only a small portion of the Company's revenues are dependent on contingent revenue sources, such as percentage rents, which fluctuate depending on tenant's sales performance.

#### BUSINESS HISTORY

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

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From 1981 to June of 1993, the Tangers developed 17 Centers with a total GLA of approximately 1.5 million square feet. In June of 1993, the Company completed its initial public offering ("IPO"), making Tanger Factory Outlet Centers, Inc. the first publicly traded outlet center company. Since its IPO, the Company has developed nine Centers and acquired four Centers and, together with expansions of existing Centers, added approximately 3.1 million square feet of GLA to its portfolio, bringing its portfolio of properties as of December 31, 1997 to 30 Centers totaling approximately 4.6 million square feet of GLA.

#### BUSINESS AND OPERATING STRATEGY

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

The Company typically seeks locations for its new centers that have at least 3.5 million people residing within an hour's drive, an average household income within a 50 mile radius of at least \$35,000 per year and access to a highway with a traffic count of at least 35,000 cars per day. The Company will vary its minimum conditions based on the particular characteristics of a site, especially if the site is located near or at a tourist destination. The Company's current goal is to target sites that are large enough to construct centers with approximately 75 stores totaling at least 300,000 square feet of GLA. Generally, the Company will build such centers in phases, with the first phase containing 150,000 to 200,000 square feet of GLA. Future phases have historically been less expensive to build than the first phase because the Company generally consummates land acquisition and finishes most of the site work, including parking lots, utilities, zoning and other developmental work, in the first phase.

The Company generally preleases at least 50% of the space in each center prior to acquiring the site and beginning construction. Historically, the Company has not begun construction until it has obtained a significant amount of signed leases. Typically, construction of a new factory outlet center has taken the Company four to six months from groundbreaking to the opening of the first tenant store. Construction of expansions to existing properties typically takes less time, usually between three to four months.

#### CAPITAL STRATEGY

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

FFO and EBITDA are widely accepted financial indicators used by certain investors and analysts to analyze and compare one equity REIT with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of properties, plus depreciation and amortization uniquely significant to real estate. EBITDA is generally defined as earnings before minority interest, interest expense, income taxes, depreciation and amortization. The Company cautions that the calculations of FFO and EBITDA may vary from entity to entity and as such the presentation of

FFO and EBITDA by the Company may not be comparable to other similarly titled measures of other reporting companies. Neither FFO nor EBITDA represent net income or cash flow from operations as defined by generally accepted accounting principles and neither should be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO and EBITDA are not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

The Company has successfully increased its dividend each of its first four years as a public company. At the same time, the Company has reduced its payout ratio in each of those years. The distribution payout ratio for the year ended December 31, 1997 was 67%. As a result, the Company retained approximately \$11 million of its 1997 FFO. A low distribution payout ratio policy allows the Company to retain capital to maintain the quality of its portfolio as well as to develop, acquire and expand properties.

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The Company's ratio of EBITDA to Annual Service Charge (defined as the amount which is expensed or capitalized for interest on debt, excluding amortization of deferred finance charges) was a strong 3.0 for the year ended December 31, 1997. The Company's ratio of debt to total market capitalization (defined as the value of the Company's outstanding Common Shares on a fully diluted basis after giving effect to the conversion or exchange of outstanding partnership Units in the Operating Partnership held by TFLP and the Series A Preferred Shares, plus total consolidated debt) at December 31, 1997 was approximately 39% (assuming a value for the Common Shares of the Company at December 31, 1997 of \$30.5625 per share).

During September and October 1997, the Company completed a public offering of 1,080,000 Common Shares at a price of \$29.0625 per share, receiving net proceeds of approximately \$29.2 million. The net proceeds were used to acquire, expand and develop factory outlet centers and for general corporate purposes. On October 24, the Operating Partnership issued \$75 million of 7.875% senior, unsecured notes, maturing October 24, 2004. The net proceeds were used to repay substantially all amounts outstanding under the Company's existing lines of credit. On November 3, 1997, the Company and the Operating Partnership filed a new registration statement with the SEC to provide, under shelf registration statements, for the issuance of up to \$100 million in additional equity securities and \$100 million in additional debt securities.

At December 31, 1997, the Company had revolving lines of credit with a borrowing capacity of up to \$125 million, of which \$120 million was available for additional borrowings. Based on the \$5 million in variable rate debt outstanding at December 31, 1997, the Company had an insignificant amount of exposure to interest rate risk at year end. Also, with additional unsecured borrowings during the year, the Company has effectively unencumbered approximately 64% of its real estate assets as of December 31, 1997. In February 1998, the Company amended two of its revolving lines to increase the amounts available by \$20 million, bringing the total borrowing capacity under the lines to \$145 million.

The Company intends to retain the ability to raise additional capital, including additional debt, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that it believes to be in the best interests of the Company and its shareholders.

#### THE OPERATING PARTNERSHIP

The Centers and other assets of the Company are held by, and all of the Company's operations are conducted by, the Operating Partnership. As of December 31, 1997, the ownership interests in the Operating Partnership consisted of 7,853,936 partnership Units and 90,689 preferred partnership Units (which are convertible into approximately 817,107 general partnership Units) held by the Company and 3,033,305 partnership Units held by TFLP, the sole limited partner. Each partnership Unit held by TFLP is exchangeable into one Common Share (subject to certain antidilution adjustments and certain limitations on exchange to preserve the Company's status as a REIT).

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

#### COMPETITION

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

Tenants of factory outlet centers typically avoid direct competition with major retailers and their own specialty stores, and, therefore, generally insist that the outlet centers be located not less than 10 to 20 miles from the nearest major department store or the tenants' own specialty stores. For this reason, the Company's centers compete only to a very limited extent with traditional malls in or near metropolitan areas.

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

#### CORPORATE AND REGIONAL HEADQUARTERS

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

The Company maintains on-site managers and offices at 25 Centers and one off-site manager and business office in Portsmouth, New Hampshire to service the remaining 5 Centers in the New England area. The managers closely monitor the development of those Centers from construction through opening and operation and also provide effective and efficient management and marketing services.

#### INSURANCE

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

#### EMPLOYEES

As of February 1, 1998, the Company had 110 full-time employees, located at the Company's corporate headquarters in North Carolina, its regional office in New York and its 26 business offices.

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#### ITEM 2. BUSINESS AND PROPERTIES

As of February 1, 1998, the Company's portfolio consisted of 30 Centers located in 23 states. The Company's Centers range in size from 8,000 to 631,359 square feet of GLA. These Centers are typically strip shopping centers which enable customers to view all of the shops from the parking lot, minimizing the time needed to shop. The Centers are generally located near tourist destinations or along major interstate highways to provide visibility and accessibility to potential customers.

The Company believes that the Centers are well diversified geographically and by tenant and that it is not dependent upon any single property or tenant. The only Center that represents more than 10% of the Company's consolidated total assets or consolidated gross revenues as of and for the year ended December 31, 1997 is the property in Riverhead, NY. See "Business and Properties - Significant Property". No other Center represented more than 10% of the Company's consolidated total assets or consolidated gross revenues as of December 31, 1997.

#### LOCATION OF CENTERS (AS OF FEBRUARY 1, 1998)

State	Number of Centers	GLA (sq. ft.)	% of GLA
Georgia	3	713,371	16%
New York	1	631,359	14
Texas	2	419,750	9
Iowa	1	275,706	6
Tennessee	2	267,791	6
Missouri	1	255,073	6
Louisiana	1	245,325	5
Pennsylvania	1	230,063	5
Oklahoma	1	197,878	4

Arizona	1	186,018	4
North Carolina	2	179,870	4
Indiana	1	141,051	3
Minnesota	1	134,480	3
Michigan	1	112,120	2
California	1	108,950	2
Oregon	1	97,749	2
Kansas	1	88,200	2
Maine	2	84,897	2
Alabama	1	80,730	2
New Hampshire	2	61,915	1
West Virginia	1	49,252	1
Massachusetts	1	23,417	1
Vermont	1	8,000	---
Total	30	4,592,965	100%

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The table set forth below summarizes certain information with respect to the Company's existing centers as of February 1, 1998.

PROPERTY PORTFOLIO

<TABLE>

<CAPTION>

DATE OPENED	LOCATION	GLA (SQ. FT.)	% LEASED	MORTGAGE DEBT OUTSTANDING (000'S) (4)	FEE OR GROUND LEASE
---	---	---	---	---	---
<S>	<C>	<C>	<C>	<C>	<C>
JUN. 1986	KITTERY I, ME	56,312	100%	\$5,970	Fee
Aug. 1993	Expansion	3,882			
		60,194			
MAR. 1987	CLOVER, NORTH CONWAY, NH	11,000	100	---	Fee
NOV. 1987	MARTINSBURG, WV	42,346	89	---	Fee
Sep. 1994	Expansion	6,906			
		49,252			
APR. 1988	LL BEAN, NORTH CONWAY, NH	50,915	100	---	Fee
JUL. 1988	PIGEON FORGE, TN	94,480	100	---	Ground
Jul. 1994	Expansion	270			Lease
		94,750			(2086)
AUG. 1988	BOAZ, AL	78,550	100	---	Fee
May 1993	Expansion	2,180			
		80,730			
OCT. 1988	MANCHESTER, VT	8,000	100	---	Fee
JUN. 1989	KITTERY II, ME	23,119	100	---	Fee
Nov. 1993	Expansion	1,584			
		24,703			
JUL. 1989	COMMERCE, GA	100,100	97	10,121	Fee
Mar. 1990	Expansion	58,650			
May 1992	Expansion	4,500			
May 1993	Expansion	12,500			
Sep. 1994	Expansion	10,000			
		185,750			
OCT. 1989	BOURNE, MA	23,417	100	---	Fee
FEB. 1991	WEST BRANCH, MI	75,120	98	6,836	Fee
Oct. 1992	Expansion	25,000			
May 1994	Expansion	12,000			
		112,120			
MAY 1991	WILLIAMSBURG, IA	121,444	94	16,946	Fee
Nov. 1991	Expansion	50,675			
Nov. 1992	Expansion	34,000 (1)			
Dec. 1993	Expansion	43,400			
Apr. 1996	Expansion	26,187			
		275,706			
FEB. 1992	CASA GRANDE, AZ	94,223	89	---	Fee

Dec. 1992	Expansion	91,795
		-----
		186,018

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DATE OPENED	LOCATION	GLA (SQ. FT.)	% LEASED	MORTGAGE DEBT OUTSTANDING (000'S) (4)	FEE OR GROUND LEASE
---					
AUG. 1992	STROUD, OK	96,378	93	---	Fee
Nov. 1992	Expansion	37,500			
Aug. 1993	Expansion	64,000			Fee
		-----			
		197,878			
DEC. 1992	NORTH BRANCH, MN	106,280	96	---	Fee
Aug. 1993	Expansion	28,200			
		-----			
		134,480			
FEB. 1993	GONZALES, LA	105,985	98	---	Fee
Aug. 1993	Expansion	109,450			
Feb. 1996	Expansion	29,890			
		-----			
		245,325			
MAY 1993	SAN MARCOS, TX	98,820	100	10,206	Fee
Oct. 1993	Expansion	40,200			
Nov. 1994	Expansion	17,500 (2)			
April 1995	Expansion	32,750			
July 1996	Expansion	29,945			
Dec. 1997	Expansion	23,100 (6)			
		-----			
		242,315			
DEC. 1993	LAWRENCE, KS	88,200	87	---	Fee
DEC. 1993	MCMINNVILLE, OR	97,749	72	---	Fee
AUG. 1994	RIVERHEAD, NY	286,195	99	---	Ground
Aug. 1997	Expansion	241,820			Lease
Dec. 1997	Expansion	103,344 (6)			(2004) (3)
		-----			
		631,359			
AUG. 1994	TERRELL, TX	126,185	98	---	Fee
Oct. 1995	Expansion	51,250			
		-----			
		177,435			
SEP. 1994	SEYMOUR, IN	141,051	95	8,184	Fee
OCT. 1994 (5)	LANCASTER, PA	191,152	99	15,787	Fee
Nov. 1995	Expansion	12,800			
Sep. 1997	Expansion	26,111 (6)			
		-----			
		230,063			
NOV. 1994	BRANSON, MO	230,073	95	---	Fee
Jun. 1996	Expansion	25,000			
		-----			
		255,073			
NOV. 1994	LOCUST GROVE, GA	168,700	97	---	Fee
Dec. 1995	Expansion	45,964			
Aug. 1996	Expansion	34,190			
		-----			
		248,854			
JAN. 1995	BARSTOW, CA	108,950	100	---	Fee
DEC. 1995	COMMERCE II, GA	148,520	98	---	Fee
Aug. 1996	Expansion	36,000			
Dec. 1997	Expansion	94,247 (6)			
		-----			
		278,767			

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MORTGAGE DEBT	FEE OR
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DATE OPENED	LOCATION	GLA (SQ. FT.)	% LEASED	OUTSTANDING (000'S) (4)	GROUND LEASE
---	---	---	---	---	---
FEB. 1997 (5)	SEVIERVILLE, TN	122,684	92	---	Ground
Dec. 1997	Expansion	50,357	(6)		Lease
		173,041			(2046)
SEP. 1997 (5)	BLOWING ROCK, NC	97,408	95	---	Fee
SEP. 1997 (5)	NAGS HEAD, NC	82,462	93	---	Fee
---	---	---	---	---	---
Total		4,592,965	96%	\$74,050	

- (1) GLA EXCLUDES 21,781 SQUARE FOOT LAND LEASE ON OUTPARCEL OCCUPIED BY PIZZA HUT.  
(2) GLA EXCLUDES 17,400 SQUARE FOOT LAND LEASE ON OUTPARCEL OCCUPIED BY WENDY'S.  
(3) THE ORIGINAL RIVERHEAD CENTER IS SUBJECT TO A GROUND LEASE WHICH MAY BE RENEWED AT THE OPTION OF THE COMPANY FOR UP TO SEVEN ADDITIONAL TERMS OF FIVE YEARS EACH. THE LAND ON WHICH THE RIVERHEAD CENTER EXPANSION IS LOCATED IS OWNED BY THE COMPANY.  
(4) AS OF DECEMBER 31, 1997. THE WEIGHTED AVERAGE INTEREST RATE FOR DEBT OUTSTANDING AT DECEMBER 31, 1997 WAS 8.5% AND THE WEIGHTED AVERAGE MATURITY DATE WAS OCTOBER 2002.  
(5) REPRESENTS DATE ACQUIRED BY THE COMPANY.  
(6) GLA INCLUDES SQUARE FEET OF NEW SPACE NOT YET OPEN AS OF DECEMBER 31, 1997, WHICH TOTALED 136,285 SQUARE FEET (SAN MARCOS - 12,100; RIVERHEAD - 60,419; LANCASTER - 2,677; COMMERCE II - 35,792; SEVIERVILLE - 25,297)

</TABLE>

Management has an ongoing program for acquiring Centers, developing new Centers and expanding existing Centers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" incorporated herein by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 1997 for a discussion of the cost of such programs and the sources of financing thereof.

Certain of the Company's Centers serve as collateral for mortgage notes payable and the secured revolving line of credit. Of the 30 Centers, the Company owns the land underlying 27 and has ground leases on three. The land on which the Pigeon Forge and Sevierville Centers are located are subject to long-term ground leases expiring in 2086 and 2046, respectively. The land on which the original Riverhead Center is located, approximately 47 acres, is also subject to a ground lease with an initial term expiring in 2004, with renewal at the option of the Company for up to seven additional terms of five years each. The land on which the Riverhead Center expansion is located, approximately 43 acres, is owned by the Company.

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

#### LEASE EXPIRATIONS

The following table sets forth, as of February 1, 1998, scheduled lease expirations, assuming none of the tenants exercise renewal options. Most leases are renewable for five year terms at the tenant's option.

<TABLE>

<CAPTION>

Year	No. of Leases Expiring(1)	Approx. GLA (sq. ft.) (1)	Average Annualized Base Rent per sq. ft.	Annualized Base Rent (000's) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
1998	75	306,000	\$12.78	\$3,910	7%
1999	190	695,000	14.24	9,895	17
2000	168	581,000	14.39	8,363	14
2001	140	549,000	13.81	7,581	13
2002	242	904,000	15.14	13,684	24
2003	73	353,000	13.56	4,786	8
2004	61	314,000	14.32	4,497	8
2005	132	102,000	11.23	1,145	2
2006	4	58,000	10.91	633	1

2007	10	64,000	14.59	934	2
2008 & thereafter	36	255,000	8.76	2,235	4
-----					
Total	1,131	4,181,000	\$13.79	\$57,663	100%
=====					

</TABLE>

- (1) EXCLUDES LEASES THAT HAVE BEEN ENTERED INTO BUT WHICH TENANT HAS NOT YET TAKEN POSSESSION, VACANT SUITES AND MONTH-TO-MONTH LEASES TOTALING APPROXIMATELY 412,000 SQUARE FEET.
- (2) BASE RENT IS DEFINED AS THE MINIMUM PAYMENTS DUE, EXCLUDING PERIODIC CONTRACTUAL FIXED INCREASES.

#### RENTAL AND OCCUPANCY RATES

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

<TABLE>  
<CAPTION>

Year	Total Expiring		Renewed by Existing Tenants		Re-leased to New Tenants	
	GLA (sq. ft.)	% of Total Center GLA	GLA (sq. ft.)	% of Expiring GLA	GLA (sq. ft.)	% of Expiring GLA
-----						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1997	238,250	5%	195,380	82%	18,600	8%
1996	149,689	4	134,639	90	15,050	10
1995	93,650	3	91,250	97	2,400	3
1994	115,697	3	105,697	91	10,000	9
1993	129,069	4	123,569	96	5,500	4

</TABLE>

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

<TABLE>  
<CAPTION>

		Renewals of Existing Leases			Stores Re-leased to New Tenants (1)		
		Average Annualized Base Rents			Average Annualized Base		
Rents		(\$ per sq. ft.)			(\$ per sq. ft.)		

</TABLE>

- (1) THE SQUARE FOOTAGE RELEASED TO NEW TENANTS FOR 1997, 1996, 1995, 1994 AND 1993 CONTAIN 18,600, 15,050, 2,400, 10,000 AND 5,500 SQUARE FEET, RESPECTIVELY, THAT WAS RELEASED TO NEW TENANTS UPON EXPIRATION OF AN EXISTING LEASE. THE REMAINING SPACE WAS RETENANTED PRIOR TO ANY LEASE EXPIRATION.

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

<TABLE>

<CAPTION>

Year	% Leased	Average Annualized Base Rent per sq.ft. (1)	GLA Open at End of Each Year	Number of Centers	Aggregate Percentage Rents (000's)
<S>	<C>	<C>	<C>	<C>	<C>
1997	98%	\$14.04	4,458,000	30	\$2,637
1996	99%	13.89	3,739,000	27	2,017
1995	99%	13.92	3,507,000	27	2,068
1994	99%	13.43	3,115,000	25	1,658
1993	98%	13.03	1,980,000	19	1,323

</TABLE>

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

#### OCCUPANCY COSTS

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

Year	Occupancy Costs as a % of Tenant Sales
1997	8.2%
1996	8.7
1995	8.5
1994	7.4
1993	6.5

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#### TENANTS

The following table sets forth certain information with respect to the Company's ten largest tenants and their store concepts as of February 1, 1998.

<TABLE>

<CAPTION>

Tenant	Number of Stores	GLA (sq. ft.)	% of Total GLA open
<S>	<C>	<C>	<C>
PHILLIPS-VAN HEUSEN CORPORATION (1):			
Bass Shoes	18	121,342	2.6%
Bass Apparel	1	3,300	0.1
Bass Company Store	1	6,500	0.1
Van Heusen	19	81,556	1.8
Geoffrey Beene Co. Store	12	48,640	1.1
Izod	15	35,567	0.8
Gant	5	13,000	0.3
	71	309,905	6.8
LIZ CLAIBORNE, INC.:			
Liz Claiborne	25	285,041	6.2
Elizabeth	5	20,700	0.5
	30	305,741	6.7
REEBOK INTERNATIONAL, LTD.	22	158,400	3.5
SARA LEE CORPORATION:			
L'eggs, Hanes, Bali	23	107,192	2.3
Champion	2	6,500	0.2
Coach	6	13,815	0.3
Socks Galore	7	8,680	0.2
	38	136,187	3.0
COUNTY SEAT STORES, INC. (2):			
County Seat	3	15,000	0.3
Levi's by County Seat	8	91,700	2.0
	11	106,700	2.3
AMERICAN COMMERCIAL, INC.:			
Mikasa Factory Store	13	105,500	2.3
BROWN GROUP RETAIL, INC.:			
Famous Footwear	6	33,150	0.7
Naturalizer	7	17,200	0.4
Brown Shoes	2	10,500	0.2
Factory Brand Shoes	6	29,050	0.6
Air Step/Buster Brown	1	3,000	0.1

	22	92,900	2.0
VF FACTORY OUTLET, INC.	3	78,697	1.7
OSHKOSH B"GOSH, INC.	15	76,790	1.6
SAMSONITE CORPORATION:			
American Tourister	11	31,392	0.7
Samsonite	13	43,395	0.9
	24	74,787	1.6
Total of all tenants listed in table	249	1,455,607	31.5%

</TABLE>

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(1) PHILLIPS-VAN HEUSEN CORPORATION ("PVH") HAS ANNOUNCED THE CLOSING OF A SIGNIFICANT PORTION OF ITS UNDERPERFORMING STORES. GENERALLY, THE COMPANY'S LEASES WITH PVH ARE LONG-TERM AND DO NOT PERMIT THE TENANT TO CLOSE THE STORE DURING THE LEASE TERM. MANAGEMENT BELIEVES THAT THE RENTS DERIVED FROM STORES THAT MIGHT BE CONSIDERED FOR CLOSING IN THE FUTURE BY PVH WOULD NOT HAVE A MATERIAL EFFECT ON THE COMPANY'S RESULTS OF OPERATIONS OR FINANCIAL CONDITION.

(2) COUNTY SEAT STORES, INC. ("COUNTY SEAT") IS CURRENTLY IN BANKRUPTCY PROCEEDINGS. MANAGEMENT BELIEVES THAT THIS BANKRUPTCY WILL NOT HAVE A MATERIAL EFFECT ON THE COMPANY'S RESULTS OF OPERATIONS OR FINANCIAL CONDITION.

#### SIGNIFICANT PROPERTY

The Center in Riverhead, New York is the Company's only Center which comprises more than 10% of consolidated total assets or consolidated total revenues. The Riverhead Center was originally constructed in 1994. During 1997, the company substantially completed an expansion totaling 241,820 square feet and is nearing final completion of a further expansion which will total approximately 103,300 square feet. Upon completion of the expansions, the Riverhead Center will total 631,359 square feet.

Tenants at the Riverhead Center principally conduct retail sales operations. The occupancy rate as of the end of 1997, 1996, 1995 and 1994, excluding expansions under construction, was 99%, 100%, 100% and 100%. Average annualized base rental rates during 1997, 1996, 1995 and 1994 were \$18.65, \$17.73, \$17.63 and \$18.18 per weighted average GLA.

Depreciation on the Riverhead Center is recognized on a straight-line basis over 33.33 years, resulting in a depreciation rate of 3% per year. At December 31, 1997, the net federal tax basis of this Center was approximately \$73,134,000. Real estate taxes assessed on this Center during 1997 amounted to \$826,000. Real estate taxes for 1998 are estimated to be approximately \$1.6 million.

The following table sets forth, as of February 1, 1998, scheduled lease expirations at the Riverhead Center assuming that none of the tenants exercise renewal options:

<TABLE>  
<CAPTION>

Year	No. of Leases Expiring (1)	GLA (sq. ft.) (1)	Annualized Base Rent per sq. ft.	Annualized Base Rent (000) (2)	% of Gross Annualized Base Rent Represented by Expiring Leases
<S>	<C>	<C>	<C>	<C>	<C>
1998	---	---	\$ ---	\$ ---	---
1999	22	91,000	19.30	1,756	16
2000	5	17,000	19.94	339	3
2001	8	34,000	20.97	713	7
2002	70	240,000	20.77	4,985	46
2003	4	23,000	18.65	452	4
2004	18	79,000	19.24	1,520	14
2005	1	2,000	17.50	35	1
2006	---	---	---	---	---
2007	4	24,000	16.83	404	4
2007 & thereafter	5	57,000	9.33	532	5
Total	137	567,000	\$18.93	\$10,736	100%

</TABLE>

(1) EXCLUDES LEASES THAT HAVE BEEN ENTERED INTO BUT WHICH TENANT HAS NOT TAKEN POSSESSION AND EXCLUDES MONTH-TO-MONTH LEASES.

(2) BASE RENT IS DEFINED AS THE MINIMUM PAYMENTS DUE, EXCLUDING PERIODIC CONTRACTUAL FIXED INCREASES.

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### ITEM 3. LEGAL PROCEEDINGS

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

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

There were no matters submitted to a vote of security holders, through solicitation of proxies or otherwise, during the fourth quarter of the fiscal year ended December 31, 1997.

#### EXECUTIVE OFFICERS OF THE REGISTRANT

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

NAME ----	AGE ---	POSITION -----
Stanley K. Tanger.....	74	Founder, Chairman of the Board of Directors and Chief Executive Officer
Steven B. Tanger.....	49	Director, President and Chief Operating Officer
Rochelle G. Simpson .....	59	Secretary and Senior Vice President - Administration and Finance
Willard A. Chafin, Jr.....	60	Senior Vice President - Leasing, Site Selection, Operations and Marketing
Frank C. Marchisello, Jr...	39	Vice President - Chief Financial Officer
Joseph H. Nehmen.....	49	Vice President - Operations
Virginia R. Summerell.....	39	Treasurer and Assistant Secretary
C. Randy Warren, Jr.....	33	Vice President - Leasing
Richard T. Parker.....	49	Vice President - Development
Carrie A. Johnson.....	35	Vice President - Marketing
Kevin M. Dillon.....	39	Vice President - Construction

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

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

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

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

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

**FRANK C. MARCHISELLO, JR.** Mr. Marchisello was named Vice President and Chief Financial Officer of the Company in November 1994. Previously, he served as Chief Accounting Officer since joining the Company in January 1993 and Assistant Treasurer since February 1994. He was employed by Gilliam, Coble & Moser, certified public accountants, from 1981 to 1992, the last six years of which he was a partner of the firm in charge of various real estate clients.

While at Gilliam, Coble & Moser, Mr. Marchisello worked directly with the Tangers since 1982. Mr. Marchisello is a graduate of the University of North Carolina at Chapel Hill and is a certified public accountant.

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

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

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

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

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

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

## PART II

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

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

1997	High	Low	Common Dividends Paid
First Quarter	\$27.500	\$24.000	\$.52
Second Quarter	27.250	23.000	.55
Third Quarter	29.875	26.875	.55
Fourth Quarter	31.000	26.500	.55
Year 1997	\$31.000	\$23.000	\$2.17

1996	High	Low	Common Dividends Paid
First Quarter	\$26.000	\$23.375	\$.50
Second Quarter	25.375	22.625	.52
Third Quarter	24.875	22.875	.52
Fourth Quarter	27.375	23.500	.52
Year 1996	\$27.375	\$22.625	\$2.06

As of February 1, 1998, there were approximately 510 shareholders of record. Certain of the Company's debt agreements limit the payment of dividends such that dividends shall not exceed FFO, as defined in the agreements, on an annual basis or 95% of FFO on a cumulative basis. Based on continuing favorable operations and available funds from operations, the Company intends to continue to pay regular quarterly dividends.

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# ITEM 6. SELECTED FINANCIAL DATA

<TABLE>					
<CAPTION>					
	1997	1996	1995	1994	1993
<S>	<C>	<C>	<C>	<C>	<C>
(In thousands, except per share and center data)					
OPERATING DATA					
Total revenues	\$85,271	\$75,500	\$68,604	\$45,988	\$29,204
Income before minority interest and extraordinary item	17,583	16,177	15,352	15,147	8,555
Income before extraordinary item(1)	12,827	11,752	11,218	11,168	4,574
Net income (1) (3)	12,827	11,191	11,218	11,168	1,898
SHARE DATA (2) Basic:					
Income before extraordinary item	\$1.57	\$1.46	\$1.36	\$1.32	\$ .90
Net income (3)	\$1.57	\$1.37	\$1.36	\$1.32	\$ .35
Weighted average common shares	7,028	6,402	6,095	5,177	4,858
Diluted:					
Income before extraordinary item	\$1.54	\$1.46	\$1.36	\$1.31	\$ .90
Net income (3)	\$1.54	\$1.37	\$1.36	\$1.31	\$ .35
Weighted average common shares	7,140	6,408	6,096	5,211	4,869
Common dividends paid	\$2.17	\$2.06	\$1.96	\$1.80	\$ .535
BALANCE SHEET DATA					
Real estate assets, before depreciation	\$454,708	\$358,361	\$325,881	\$292,406	\$137,666
Total assets	416,014	332,138	315,130	294,802	182,396
Long-term debt	229,050	178,004	156,749	121,323	20,316
Shareholders' equity	136,649	110,657	114,813	118,177	120,067
OTHER DATA					
EBITDA (5)	\$52,857	\$46,633	\$41,058	\$26,089	\$17,519
Funds from operations (4)	\$35,840	\$32,313	\$29,597	\$23,189	\$12,008
Cash flows provided by (used in):					
Operating activities	\$39,214	\$38,051	\$32,423	\$21,304	\$11,571
Investing activities	\$(93,636)	\$(36,401)	\$(44,788)	\$(143,683)	\$(49,277)
Financing activities	\$55,444	\$(4,176)	\$13,802	\$80,661	\$81,324
Gross leasable area open at year end	4,458	3,739	3,507	3,115	1,980
Number of centers	30	27	27	25	19

</TABLE>

- (1) All earnings prior to the initial public offering ("IPO") on June 4, 1993 have been allocated to minority interest. Subsequent to the IPO, earnings have been allocated to the Company and the minority interest based on their respective weighted average ownership interests in the Operating Partnership during the year.
- (2) In 1997, the Company adopted SFAS 128, EARNINGS PER SHARE. As a result, the Company's reported income per common share amounts for prior years have been restated to conform with the current year presentation.
- (3) Pro forma net income and net income per common share, which reflect adjustments to historical information to present income information as if the IPO had taken place on January 1, 1993, were \$6,551 and \$1.31 per basic and diluted share during 1993.
- (4) In 1996, the Company adopted the National Association of Real Estate Investment Trusts' definition of funds from operations and restated all prior year amounts. See Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Funds from Operations" for a complete discussion of funds from operations.
- (5) EBITDA represents earnings before minority interest, interest expense, income taxes, depreciation and amortization. EBITDA is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare companies on the basis of operating performance. The Company cautions that the calculation of EBITDA may vary from entity to entity and as such the presentation of EBITDA by the Company may not be comparable to other similarly titled measures of other reporting companies. EBITDA is not intended to represent cash flows for the period, nor has it been presented as an alternative to operating income as an indicator of operating performance, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

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

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

The discussion of the Company's results of operations reported in the consolidated statements of operations compares the years ended December 31, 1997 and 1996, as well as December 31, 1996 and 1995. Certain comparisons between the periods are made on a percentage basis as well as on a weighted average gross leasable area ("GLA") basis, a technique which adjusts for certain increases or decreases in the number of centers and corresponding square feet related to the development, expansion or disposition of rental properties. The computation of weighted average GLA, however, does not adjust for fluctuations in occupancy since GLA is not reduced when original occupied space subsequently becomes vacant.

CAUTIONARY STATEMENTS

Certain statements contained in the discussion below, including, without limitation, statements containing the words "believes," "anticipates," "expects," and words of similar import, constitute "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: the effects of future events on the Company's financial performance; the risk that the Company may not be able to finance its planned development, acquisition and expansion activities; risks related to the retail industry in which the Company's outlet centers compete, including the potential adverse impact of external factors such as inflation, tenant demand for space, consumer confidence, unemployment rates and consumer tastes and preferences; risks associated with the Company's development, acquisition and expansion activities, such as the potential for cost overruns, delays and lack of predictability with respect to the financial returns associated with these development activities; the risk of potential increase in market interest rates from current rates; risks associated with real estate ownership, such as the potential adverse impact of changes in the local economic climate on the revenues and the value of the Company's properties; and the risks that a significant number of tenants may become unable to meet their lease obligations or that the Company may be unable to renew or re-lease a significant amount of available space on economically favorable terms. Given these uncertainties, current and prospective investors are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

GENERAL OVERVIEW

The Company continues to grow principally through acquisitions, new development and expansions of factory outlet centers. During 1997, the Company acquired three centers in resort areas totaling 302,554 square feet. Five Oaks Factory Stores, a factory outlet center in Sevierville, Tennessee, was acquired in February 1997 at a purchase price of \$18 million. Shoppes on the Parkway, a factory outlet center in Blowing Rock, North Carolina, and Soundings Factory Stores, a factory outlet center in Nags Head, North Carolina, were acquired in September 1997 for an aggregate purchase price of \$19.5 million.

In addition, the Company has completed, or has under construction to be completed by the end of the first quarter of 1998, the expansion of five existing centers totaling 538,979 square feet. During 1996, the Company completed six expansions totaling 181,142 square feet. A summary of the 1997 acquired centers and expansions is recapped below:

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1997 DEVELOPMENT - - - - -	Aggregate Size (sq. ft.) -----	Open at 12/31/97 (sq. ft.) -----
ACQUISITIONS		
Sevierville, TN	122,684	122,684
Blowing Rock, NC	97,408	97,408
Nags Head, NC	82,462	82,462
	-----	-----
	302,554	302,554
	-----	-----
EXPANSIONS		
Riverhead, NY	345,164	284,745



Commerce, GA	94,247	58,455
Sevierville, TN	50,357	25,060
Lancaster, PA	26,111	23,434
San Marcos, TX	23,100	11,000
	-----	-----
	538,979	402,694
	-----	-----
	841,533	705,248
	=====	=====

A summary of the operating results for the years ended December 31, 1997, 1996 and 1995 is presented in the following table, expressed in amounts calculated on a weighted average GLA basis.

<TABLE>  
<CAPTION>

	Year Ended December 31,		
	1997	1996	1995
	-----	-----	-----
<S>	<C>	<C>	<C>
GLA open at end of period (000's)	4,458	3,739	3,507
Weighted average GLA (000's) (1)	4,046	3,642	3,292
Outlet centers in operation	30	27	27
New centers opened	---	---	2
New centers acquired	3	---	---
Centers expanded	5	6	4
States operated in at end of period	23	22	22
	-----	-----	-----
PER SQUARE FOOT			
-----			
Revenues			
Base rentals	\$14.04	\$13.89	\$13.92
Percentage rentals	.65	.55	.63
Expense reimbursements	6.10	6.04	6.05
Other income	.29	.25	.24
	-----	-----	-----
Total revenues	21.08	20.73	20.84
	-----	-----	-----
Expenses			
Property operating	6.49	6.47	6.83
General and administrative	1.52	1.50	1.54
Interest	4.16	3.84	3.44
Depreciation and amortization	4.56	4.52	4.37
	-----	-----	-----
Total expenses	16.73	16.33	16.18
	-----	-----	-----
Income before gain on sale of land, minority interest and extraordinary item	\$4.35	\$4.40	\$4.66
	=====	=====	=====

</TABLE>

(1) GLA WEIGHTED BY MONTHS OF OPERATIONS.

## RESULTS OF OPERATIONS

### 1997 COMPARED TO 1996

Base rentals increased \$6.2 million, or 12%, in 1997 when compared to the same period in 1996 primarily as a result of the 11% increase in weighted average GLA. Base rent increased approximately \$1.5 million due to the effect of a full year's operation of expansions completed in 1996 and approximately \$4.8 million for new or acquired leases added during 1997.

Percentage rentals increased \$620,000, or \$.10 per square foot, in 1997 compared to 1996. The increase is primarily attributable to leases acquired during 1997, leases added in 1996 completing their first full year of operation in 1997 and due to increases in tenant sales. Same store sales, defined as weighed average sales per square foot reported for tenant stores open all of 1997 and 1996, increased approximately 2.3% to \$241 per square foot.

Expense reimbursements, which represent the contractual recovery from tenants of certain common area maintenance, insurance, property tax, promotional and advertising and management expenses generally fluctuates consistently with the reimbursable property operating expenses to which it relates. Expense reimbursements, expressed as a percentage of property operating expenses, increased from 93% in the 1996 period to 94% in the 1997 period due primarily to a reduction in nonreimbursable property operating expenses.

Property operating expenses increased by \$2.7 million, or 11%, in 1997 as compared to the 1996 period. On a weighted average GLA basis, property operating expenses increased to \$6.49 from \$6.47 per square foot. Slightly lower promotional, real estate taxes, and insurance expenses per square foot incurred

in the 1997 period compared to the 1996 period were offset by higher common area maintenance expenses per square foot due to additional customer service amenities, such as trolleys, customer service counters and security and as result of expanding the Riverhead Center which has a cost per foot higher than the portfolio average.

General and administrative expenses increased \$678,000 in 1997 as compared to 1996. As a percentage of revenues, general and administrative expenses remained level at 7.2% in each year. On a weighted average GLA basis, general and administrative expenses increased \$.02 to \$1.52 in 1997.

Interest expense increased \$2.8 million during the 1997 period as compared to the 1996 period due to higher average borrowings outstanding during the period. Average borrowings increased principally to finance the first quarter acquisition of Five Oaks Factory Stores (see "Overview" above) and expansions to existing centers until the Company was able to issue additional equity in October 1997. Depreciation and amortization per weighted average GLA increased from \$4.52 per square foot to \$4.56 per square foot. The increase reflects the effect of accelerating the recognition of depreciation expense on certain tenant finishing allowances related to vacant space.

The extraordinary item in the 1996 period represents a write-off of the unamortized deferred financing costs related to the lines of credit which were extinguished using the proceeds from the Company's \$75 million senior unsecured notes issued in March 1996.

#### 1996 COMPARED TO 1995

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

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

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

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

General and administrative expenses decreased 3% on a weighted average GLA basis to \$1.50 for the year ended 1996. General and administrative expenses as a percent of revenues decreased 3% to 7.2% in 1996 compared to 7.4% in 1995.

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

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

Net cash provided by operating activities was \$39.2, \$38.1, and \$32.4 million for the years ended December 31, 1997, 1996 and 1995, respectively. The increases for all three years were primarily due to the incremental operating income associated with acquired or developed centers. Net cash used in investing activities amounted to \$93.6, \$36.4, and \$44.8 million during 1997, 1996 and 1995, respectively, and reflects the levels of development and acquisition activity over the past three years (841,533 square feet developed or acquired in 1997, 181,142 square feet in 1996, 392,312 square feet in 1995). Cash provided by (used in) financing activities of \$55.4, \$(4.2) and \$13.8 million in 1997, 1996 and 1995, respectively, and has fluctuated consistently with the capital needed to fund the current development and acquisition activity. In 1997, the significant increase was due to the equity offering (\$29 million) and additional debt to fund acquisitions and expansions.

Management believes, based upon its discussions with present and prospective tenants, that many tenants, including prospective tenants new to the factory outlet business, desire to open a number of new factory outlet stores in the next several years, particularly where there are successful factory outlet centers in which such tenants do not have a significant presence or where there are few factory outlet centers. During 1997, the Company acquired three centers totaling 302,554 square feet and completed, or has under construction to be completed by the end of the first quarter of 1998, the expansion of five existing centers totaling 538,879 square feet. (See "General Overview"). Commitments for construction of these projects (which represent only those costs contractually required to be paid by the Company) amounted to \$862,000 at December 31, 1997.

The Company also is in the process of developing plans for additional expansions and new centers for completion in 1998 and beyond. Currently, the Company is in the preleasing stages for future centers at two potential sites located in Concord, North Carolina (Charlotte) and Romulus, Michigan (Detroit) and for further expansions of four existing Centers. However, there can be no assurance that any of these anticipated or planned developments or expansions will be started or completed as scheduled, or that any development or expansion will result in accretive funds from operations. In addition, the Company regularly evaluates acquisition proposals, engages from time to time in negotiations for acquisitions and may from time to time enter into letters of intent for the purchase of properties. No assurance can be given that any of the prospective acquisitions that are being evaluated or which are subject to a letter of intent will be consummated, or if consummated, will result in accretive funds from operations.

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Management intends to continually have access to the capital resources necessary to expand and develop its business and, accordingly, may seek to obtain additional funds through equity offerings or debt financing. During September and October 1997, the Company completed a public offering of 1,080,000 Common Shares at a price of \$29.0625 per share, receiving net proceeds of approximately \$29.2 million. The net proceeds were used to acquire, expand and develop factory outlet centers and for general corporate purposes. On October 24, the Operating Partnership issued \$75 million of 7.875% senior, unsecured notes, maturing October 24, 2004. The net proceeds were used to repay substantially all amounts outstanding under the Company's existing lines of credit. On November 3, 1997, the Company and the Operating Partnership filed a new registration statement with the SEC to provide, under shelf registration statements, for the issuance of up to \$100 million in additional equity securities and \$100 million in additional debt securities.

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

At December 31, 1997, the Company had revolving lines of credit with a borrowing capacity of up to \$125 million, of which \$120 million was available for additional borrowings. Based on the \$5 million in variable rate debt outstanding at December 31, 1997, the Company had an insignificant amount of exposure to interest rate risk at year end. Also, with additional unsecured borrowings during the year, the Company has effectively unencumbered approximately 64% of its real estate assets as of December 31, 1997. In February 1998, the Company amended two of its revolving lines to increase amounts available by \$20 million, bringing the total borrowing capacity under the lines to \$145 million. Based on existing credit facilities, ongoing negotiations with certain financial institutions and funds available under the shelf registration statements, management believes that the Company has access to the necessary financing to fund the planned capital expenditures during 1998.

The Company anticipates that adequate cash will be available to fund its operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long term. Although the Company receives most of its rental payments on a monthly basis, distributions are made quarterly. Amounts accumulated for distribution are invested in short-term money market or other suitable instruments. Certain of the Company's debt agreements limit the payment of

dividends such that dividends will not exceed funds from operations ("FFO"), as defined in the agreements, on an annual basis or 95% of FFO on a cumulative basis from the date of the agreement.

#### NEW ACCOUNTING PRONOUNCEMENTS

In 1997, the Company adopted the Financial Accounting Standards Board's, SFAS No. 128, EARNINGS PER SHARE, effective for fiscal periods ending after December 15, 1997. The new standard simplifies the computation of earnings per share by replacing primary earnings per share with basic earnings per share. Basic earnings per share does not include the effect of any potentially dilutive securities, as under the previous accounting standard, and is computed by dividing reported income available to common shareholders by the weighted average common shares outstanding during the period. Fully diluted earnings per share is now called diluted earnings per share and reflects the dilution of all potentially dilutive securities. In adopting the standard, Companies are required to restate all prior period earnings per share data. The adoption of this standard by the Company had no impact on the historical reported earnings per share amounts in 1996 and 1995 as the effect of potentially dilutive securities were immaterial.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 requires public business enterprises to adopt its provisions for periods beginning after December 15, 1997, and to report certain information about operating segments in complete sets of financial statements of the enterprise and in condensed financial statements of interim periods issued to shareholders. The Company is evaluating the provisions of SFAS No. 131, but has not yet determined if additional disclosures will be required.

#### FUNDS FROM OPERATIONS

Management believes that to facilitate a clear understanding of the consolidated historical operating results of the Company, FFO should be considered in conjunction with net income as presented in the unaudited consolidated financial

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statements included elsewhere in this report. FFO is presented because it is a widely accepted financial indicator used by certain investors and analysts to analyze and compare one equity real estate investment trust ("REIT") with another on the basis of operating performance. FFO is generally defined as net income (loss), computed in accordance with generally accepted accounting principles, before extraordinary items and gains (losses) on sale of properties, plus depreciation and amortization uniquely significant to real estate. The Company cautions that the calculation of FFO may vary from entity to entity and as such the presentation of FFO by the Company may not be comparable to other similarly titled measures of other reporting companies. FFO does not represent net income or cash flow from operations as defined by generally accepted accounting principles and should not be considered an alternative to net income as an indication of operating performance or to cash from operations as a measure of liquidity. FFO is not necessarily indicative of cash flows available to fund dividends to shareholders and other cash needs.

Below is a calculation of funds from operations for the years ended December 31, 1997, 1996 and 1995 as well as actual cash flow and other data for those respective years:

	1997	1996	1995
	-----	-----	-----
<S>	<C>	<C>	<C>
	(IN THOUSANDS)		
FUNDS FROM OPERATIONS:			
Income before gain on sale of land, minority interest and extraordinary item	\$17,583	\$16,018	\$15,352
Adjusted for depreciation and amortization uniquely significant to real estate	18,257	16,295	14,245
	-----	-----	-----
Funds from operations before minority interest	\$35,840	\$32,313	\$29,597
	=====	=====	=====
CASH FLOWS PROVIDED BY (USED IN):			
Operating activities	\$39,214	\$38,051	\$32,423
Investing activities	\$ (93,636)	\$ (36,401)	\$ (44,788)
Financing activities	\$55,444	\$ (4,176)	\$13,802
WEIGHTED AVERAGE SHARES OUTSTANDING (1)	11,000	10,601	10,596
	=====	=====	=====

</TABLE>

(1) ASSUMES THE PARTNERSHIP UNITS OF THE OPERATING PARTNERSHIP HELD BY THE MINORITY INTEREST, PREFERRED SHARES OF THE COMPANY AND STOCK AND UNIT OPTIONS ARE CONVERTED TO COMMON SHARES OF THE COMPANY.

#### ECONOMIC CONDITIONS AND OUTLOOK

Substantially all of the Company's leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling the Company to receive percentage

rentals based on tenants' gross sales (above predetermined levels, which the Company believes often are lower than traditional retail industry standards) which generally increase as prices rise. Most of the leases require the tenant to pay their share of property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

Approximately 306,000 square feet of space is up for renewal during 1998 and approximately 695,000 square feet will come up for renewal in 1999. In addition, as typical in the retail industry, certain tenants have closed, or will close, certain stores by terminating their lease prior to its natural expiration or as a result of filing for protection under bankruptcy laws. Also, management may grant, from time to time, a tenant's request for reduction in rent to remain in operation. There can be no assurance that any tenant whose lease expires will renew such lease or that renewals or terminated leases will be released on economically favorable terms.

The Company's portfolio is currently 96% leased. Existing tenants' sales have remained stable and renewals by existing tenants have remained strong. In addition, the Company has continued to attract and retain additional tenants. The Company's factory outlet centers typically include well known, national, brand name companies. By maintaining a broad base of credit tenants and a geographically diverse portfolio of properties located across the United States, the Company reduces its operating and leasing risks. No one tenant (including affiliates) accounts for more than 10% of the Company's combined base and percentage rental revenues. Accordingly, management currently does not expect any material adverse impact on the Company's results of operation and financial condition as a result of leases to be renewed or stores to be released.

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The Company has evaluated its computer systems and applications for potential software failures as a result of recognizing the year 2000 and beyond. Most of the systems are compliant with the year 2000, or will be with normal upgrades currently available to the Company. Therefore, the Company believes the costs to bring the remaining systems and applications in compliance will be insignificant.

#### CONTINGENCIES

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

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

Not applicable.

#### PART III

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

#### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

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

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

#### ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to the

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

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PART IV

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

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

1. Financial Statements

Report of Independent Accountants	F-1
Consolidated Balance Sheets-December 31, 1997 and 1996	F-2
Consolidated Statements of Operations- Years Ended December 31, 1997, 1996 and 1995	F-3
Consolidated Statements of Shareholders' Equity- For the Years Ended December 31, 1997, 1996 and 1995	F-4
Consolidated Statements of Cash Flows- Years Ended December 31, 1997, 1996 and 1995	F-5
Notes to Consolidated Financial Statements	F-6 to F-14

2. Financial Statement Schedule

Schedule III	
Report of Independent Accountants	F-15
Real Estate and Accumulated Depreciation	F-16 to F-18

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
-----	-----

<TABLE>

<CAPTION>

<S>

<C>

3.1	Amended and Restated Articles of Incorporation of the Company. (Note 10)
3.1A	Amendment to Articles of Incorporation dated May 29, 1996. (Note 10)
3.2	Amended and Restated By-Laws of the Company. (Note 1)
3.3	Amended and Restated Agreement of Limited Partnership for the Operating Partnership. (Note 1)
4.1	Form of Deposit Agreement, by and between the Company and the Depositary, including Form of Depositary Receipt. (Note 1)
4.2	Form of Preferred Stock Certificate. (Note 1)
10.1	Unit Option Plan of the Company. (Note 2)
10.1A	First Amendment to the Unit Option Plan. (Note 1)
10.1B	Second Amendment to the Unit Option Plan. (Note 6)
10.1C	Third Amendment to the Unit Option Plan. (Note 10)
10.1D	Fourth Amendment to the Unit Option Plan.
10.2	Stock Option Plan of the Company. (Note 2)
10.2A	First Amendment to the Stock Option Plan. (Note 1)

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10.2B	Second Amendment to the Stock Option Plan. (Note 6)
10.2C	Third Amendment to the Stock Option Plan. (Note 10).
10.2D	Fourth Amendment to the Stock Option Plan.

- 10.3 Form of Stock Option Agreement between the Company and certain Directors. (Note 3)
- 10.4 Form of Unit Option Agreement between the Operating Partnership and certain employees. (Note 3)
- 10.5 Amended and Restated Employment Agreement for Stanley K. Tanger. (Note 10)
- 10.6 Amended and Restated Employment Agreement for Steven B. Tanger. (Note 10)
- 10.7 Amended and Restated Employment Agreement for Willard Chafin. (Note 10)
- 10.8 Amended and Restated Employment Agreement for Rochelle Simpson. (Note 10)
- 10.9 Employment Agreement for Joseph H. Nehmen. (Note 10)
- 10.10 Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 2)
- 10.10A Amendment to Registration Rights Agreement among the Company, the Tanger Family Limited Partnership and Stanley K. Tanger. (Note 6)
- 10.11 Agreement Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. (Note 2)
- 10.12 Assignment and Assumption Agreement among Stanley K. Tanger, Stanley K. Tanger & Company, the Tanger Family Limited Partnership, the Operating Partnership and the Company. (Note 2)
- 10.13 Promissory Notes by and between the Operating Partnership and John Hancock Mutual Life Insurance Company aggregating \$50,000,000, dated as of December 13, 1994. (Note 4)
- 10.14 Promissory Note and Mortgage, Assignment of Leases and Rents, and Security Agreement by and between the Operating Partnership and New York Life Insurance Company, dated as of March 28, 1995. (Note 5)
- 10.15 Credit Agreement among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and National Westminster Bank, Plc dated January 15, 1996. (Note 7)
- 10.15A Amendment No. 1 to Credit Agreement among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and National Westminster Bank, Plc dated February 20, 1996. (Note 9)
- 10.15B Amendment No. 2 to Credit Agreement among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and National Westminster Bank, Plc dated May 31, 1996. (Note 10)
- 10.16 Form of Senior Indenture. (Note 8)
- 10.17 Form of First Supplemental Indenture (to Senior Indenture). (Note 8)
- 10.17A Form of Second Supplemental Indenture (to Senior Indenture) dated October 24, 1997 among Tanger Properties Limited Partnership, Tanger Factory Outlet Centers, Inc. and State Street Bank & Trust Company. (Note 11)
- 10.18 Loan Agreement dated as of October 14, 1996 between Tanger Properties Limited Partnership and First National Bank of Commerce. (Note 10)

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- 10.18A First Amendment to Loan Agreement between Tanger Properties Limited Partnership and First National Bank of Commerce dated as of August 13, 1997.
- 10.19 Loan Agreement dated as of November 18, 1996 between Tanger Properties Limited Partnership and Southtrust Bank of Alabama, National Association. (Note 10)
- 10.19A First Amendment to Loan Agreement between Tanger Properties Limited Partnership and Southtrust Bank of Alabama, National Association dated as of May 22, 1997.
- 10.20 Revolving Credit Agreement dated as of December 18, 1997 between Tanger Properties Limited Partnership and Fleet National Bank.
- 21.1 List of Subsidiaries. (Note 2)
- 23.1 Consent of Coopers & Lybrand L.L.P.

</TABLE>

Notes to Exhibits:

- 1. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed October 6, 1993, as amended.
- 2. Incorporated by reference to the exhibits to the Company's Registration Statement on Form S-11 filed May 27, 1993, as amended.
- 3. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.
- 4. Incorporated by reference to the exhibits to the Company's Annual

- Report on Form 10-K for the year ended December 31, 1994
5. Incorporated by reference to the exhibits to the Company's Quarterly Report of Form 10-Q for the period ended March 31, 1995..
  6. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
  7. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated January 23, 1996.
  8. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated March 6, 1996.
  9. Incorporated by reference to the exhibits to the Company's Quarterly Report of Form 10-Q for the period ended March 31, 1996.
  10. Incorporated by reference to the exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.
  11. Incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated October 24, 1997.

(B) REPORTS ON FORM 8-K - The Company filed the following reports on Form 8-K during the quarter ended December 31, 1997:

The Company filed a Current Report on Form 8-K dated September 12, 1997 to file the Consent of Coopers & Lybrand L.L.P, independent public accountants, as an exhibit to a prospectus filed in September 1997.

The Company filed a Current Report on Form 8-K dated September 24, 1997 to file a supplemental indenture agreement related to the issuance of \$75 million in 7.875% senior unsecured notes.

The Company filed a Current Report on Form 8-K dated September 30, 1997 to file financial statements and related schedules related to the acquisition of Five Oaks Factory Stores, a factory outlet center in Sevierville, Tennessee; Shoppes on the Parkway, a factory outlet center in Blowing Rock, North Carolina; and Soundings Factory Stores, a factory outlet center in Nags Head, North Carolina.

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#### SIGNATURES

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

TANGER FACTORY OUTLET CENTERS, INC.

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

February 28, 1998

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

<TABLE> <CAPTION> Signature -----	Title -----	Date ----
<S> /s/ Stanley K. Tanger ----- Stanley K. Tanger	<C> Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	<C> February 28, 1998
/s/ Steven B. Tanger ----- Steven B. Tanger	Director, President and Chief Operating Officer	February 28, 1998
/s/ Frank C. Marchisello, Jr. ----- Frank C. Marchisello, Jr.	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 28, 1998
/s/ Jack Africk ----- Jack Africk	Director	February 28, 1998
/s/ William G. Benton ----- William G. Benton	Director	February 28, 1998
/s/ Thomas E. Robinson ----- Thomas E. Robinson	Director	February 28, 1998

</TABLE>

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# REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1997 and 1996, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Greensboro, NC  
January 19, 1998

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

<TABLE>  
<CAPTION>

	DECEMBER 31,	
	1997	1996
	-----	-----
<S>	<C>	<C>
ASSETS		
Rental property		
Land	\$48,059	\$43,339
Buildings, improvements and fixtures	379,842	299,534
Developments under construction	26,807	15,488
	-----	-----
	454,708	358,361
Accumulated depreciation	(64,177)	(46,907)
	-----	-----
Rental property, net	390,531	311,454
Cash and cash equivalents	3,607	2,585
Deferred charges, net	8,651	7,846
Other assets	13,225	10,253
	-----	-----
TOTAL ASSETS	\$416,014	\$332,138
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Long-term debt		
Senior, unsecured notes	\$150,000	\$75,000
Mortgages payable	74,050	75,204
Lines of credit	5,000	27,800
	-----	-----
	229,050	178,004
Construction trade payables	12,913	8,320
Accounts payable and accrued expenses	13,526	9,558
	-----	-----
TOTAL LIABILITIES	255,489	195,882
	-----	-----
Commitments		
Minority interest	23,876	25,599
	-----	-----

## SHAREHOLDERS' EQUITY

Preferred shares, \$.01 par value, 1,000,000 shares authorized, 90,689 and 106,419 shares issued and outstanding at December 31, 1997 and 1996	1	1
Common shares, \$.01 par value, 50,000,000 shares authorized, 7,853,936 and 6,602,510 shares issued and outstanding at December 31, 1997 and 1996	78	66
Paid in capital	151,550	121,384
Distributions in excess of net income	(14,980)	(10,794)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	136,649	110,657
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$416,014	\$332,138
	=====	=====

&lt;/TABLE&gt;

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

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

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
	-----	-----	-----
<S>	<C>	<C>	<C>
REVENUES			
Base rentals	\$56,807	\$50,596	\$45,818
Percentage rentals	2,637	2,017	2,068
Expense reimbursements	24,665	21,991	19,913
Other income	1,162	896	805
	-----	-----	-----
Total revenues	85,271	75,500	68,604
	-----	-----	-----
EXPENSES			
Property operating	26,269	23,559	22,467
General and administrative	6,145	5,467	5,079
Interest	16,835	13,998	11,337
Depreciation and amortization	18,439	16,458	14,369
	-----	-----	-----
Total expenses	67,688	59,482	53,252
	-----	-----	-----
INCOME BEFORE GAIN ON SALE OF LAND, MINORITY INTEREST AND EXTRAORDINARY ITEM	17,583	16,018	15,352
Gain on sale of land	---	159	---
	-----	-----	-----
INCOME BEFORE MINORITY INTEREST AND EXTRAORDINARY ITEM	17,583	16,177	15,352
Minority interest	(4,756)	(4,425)	(4,134)
	-----	-----	-----
INCOME BEFORE EXTRAORDINARY ITEM	12,827	11,752	11,218
Extraordinary item - Loss on early extinguishment of debt, net of minority interest of \$270	---	(561)	---
	-----	-----	-----
NET INCOME	\$12,827	\$11,191	\$11,218
	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE:			
Income before extraordinary item	\$1.57	\$1.46	\$1.36
Extraordinary item	---	(.09)	---
	-----	-----	-----
Net income	\$1.57	\$1.37	\$1.36
	=====	=====	=====
DILUTED EARNINGS PER COMMON SHARE:			
Income before extraordinary item	\$1.54	\$1.46	\$1.36
Extraordinary item	---	(.09)	---
	-----	-----	-----
Net income	\$1.54	\$1.37	\$1.36
	=====	=====	=====

&lt;/TABLE&gt;

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

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996, AND 1995  
(In thousands, except share data)

<TABLE>  
<CAPTION>

	Preferred Shares	Common Shares	Paid in Capital	Distributions in Excess of Net Income	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE, DECEMBER 31, 1994	\$2	\$55	\$120,927	\$ (2,807)	\$118,177
Conversion of 87,960 preferred shares into 792,506 common shares	(1)	8	(7)	---	---
Issuance of 600 common shares upon exercise of unit options	---	---	14	---	14
Compensation under Unit Option Plan	---	---	224	---	224
Net income	---	---	---	11,218	11,218
Preferred dividends (\$17.66 per share)	---	---	---	(2,944)	(2,944)
Common dividends (\$1.96 per share)	---	---	---	(11,876)	(11,876)
BALANCE, DECEMBER 31, 1995	1	63	121,158	(6,409)	114,813
Conversion of 35,065 preferred shares into 315,929 common shares	---	3	(3)	---	---
Compensation under Unit Option Plan	---	---	229	---	229
Net income	---	---	---	11,191	11,191
Preferred dividends (\$18.56 per share)	---	---	---	(2,416)	(2,416)
Common dividends (\$2.06 per share)	---	---	---	(13,160)	(13,160)
BALANCE, DECEMBER 31, 1996	1	66	121,384	(10,794)	110,657
Conversion of 15,730 preferred shares into 141,726 common shares	---	1	(1)	---	---
Issuance of 29,700 common shares upon exercise of unit options	---	---	703	---	703
Issuance of 1,080,000 common shares, net of issuance costs	---	11	29,230	---	29,241
Compensation under Unit Option Plan	---	---	234	---	234
Net income	---	---	---	12,827	12,827
Preferred dividends (\$19.55 per share)	---	---	---	(1,789)	(1,789)
Common dividends (\$2.17 per share)	---	---	---	(15,224)	(15,224)
BALANCE, DECEMBER 31, 1997	\$1	\$78	\$151,550	\$ (14,980)	\$136,649
</TABLE>					

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

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

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	\$12,827	\$11,191	\$11,218
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,439	16,458	14,369
Amortization of deferred financing costs	1,094	953	955
Minority interest	4,756	4,155	4,134
Loss on early extinguishment of debt	---	831	---
Gain on sale of land	---	(159)	---
Straight-line base rent adjustment	(347)	(1,192)	(1,316)
Compensation under Unit Option Plan	338	338	334
Increase (decrease) due to changes in:			
Other assets	(1,861)	597	2,431
Accounts payable and accrued expenses	3,968	4,879	298
NET CASH PROVIDED BY OPERATING ACTIVITIES	39,214	38,051	32,423
INVESTING ACTIVITIES			
Additions to rental properties	(92,295)	(35,408)	(43,758)
Additions to deferred lease costs	(1,341)	(1,167)	(1,030)
Proceeds from sale of land	---	174	---
NET CASH USED IN INVESTING ACTIVITIES	(93,636)	(36,401)	(44,788)
FINANCING ACTIVITIES			
Net proceeds from issuance of common shares	29,241	---	---
Cash dividends paid	(17,013)	(15,576)	(14,820)
Distributions to minority interest	(6,583)	(6,249)	(5,945)
Proceeds from notes payable	75,000	75,000	16,250
Repayments on notes payable	(1,154)	(1,019)	(949)
Proceeds from revolving lines of credit	118,450	70,301	113,555
Repayments on revolving lines of credit	(141,250)	(123,027)	(93,430)
Additions to deferred financing costs	(1,950)	(3,606)	(873)

Proceeds from exercise of unit options	703	---	14
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	55,444	(4,176)	13,802
Net increase (decrease) in cash and cash equivalents	1,022	(2,526)	1,437
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,585	5,111	3,674
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$3,607	\$2,585	\$5,111
	=====	=====	=====

</TABLE>

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

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

1. Organization and Formation of the Company

Tanger Factory Outlet Centers, Inc. (the "Company"), a fully-integrated, self-administered, self-managed real estate investment trust ("REIT"), develops, owns and operates factory outlet centers. Recognized as one of the largest owners and operators of factory outlet centers in the United States, the Company owned and operated 30 factory outlet centers (the "Properties") located in 23 states with a total gross leasable area of approximately 4.6 million square feet at the end of 1997. The Company provides all development, leasing and management services for its centers.

The factory outlet centers and other assets of the Company's business are held by, and all of its operations are conducted by, the Company's majority owned subsidiary, Tanger Properties Limited Partnership (the "Operating Partnership"). The Company is the sole general partner of the Operating Partnership and the Tanger Family Limited Partnership ("TFLP") is the sole limited partner. Stanley K. Tanger, the Company's Chairman of the Board and Chief Executive Officer, is the general partner of TFLP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION - The Company, as sole general partner, consolidates the Operating Partnership for financial reporting purposes. All significant intercompany balances and transactions have been eliminated in consolidation.

MINORITY INTEREST - Minority interest reflects the limited partner's percentage ownership of Operating Partnership Units (the "Units") . Allocation of net income to the limited partner is based its respective ownership interest (See Note 6).

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The more significant estimates include reserves for uncollectible receivables and reserves for potentially unsuccessful pre-construction costs.

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

Buildings, improvements and fixtures consist primarily of permanent buildings and improvements made to land such as landscaping and infrastructure and costs incurred in providing rental space to tenants. Interest costs capitalized during 1997, 1996 and 1995 amounted to \$1,877, \$1,044, and \$580, and development costs capitalized amounted to \$1,637, \$1,321 and \$1,253, respectively. Depreciation expense for each of the years ended December 31, 1997, 1996 and 1995 was \$17,327, \$15,449 and \$13,451, respectively.

The pre-construction stage of project development involves certain costs to secure land control and zoning and complete other initial tasks essential to the development of the project. These costs are transferred from other assets to developments under construction when the pre-construction tasks are completed. Costs of potentially unsuccessful pre-construction efforts are charged to operations.

CASH AND CASH EQUIVALENTS - All highly liquid investments with an original maturity of three months or less at the date of purchase are considered to be cash and cash equivalents. Cash balances at a limited number of banks may periodically exceed insurable amounts. The Company believes that it mitigates

its risk by investing in or through major financial institutions. Recoverability of investments is dependent upon the performance of the issuer.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

IMPAIRMENT OF LONG-LIVED ASSETS - The Company has adopted Statement of Financial Accounting Standards No. 121, ACCOUNTING FOR IMPAIRMENT OF LONG-LIVED ASSETS AND LONG-LIVED ASSETS TO BE DISPOSED OF. This statement requires that long-lived assets and certain intangibles to be held and used by an entity be reviewed for impairment in the event that facts and circumstances indicate the carrying amount of an asset may not be recoverable. In such an event, the Company compares the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognizes an impairment loss in an amount by which the carrying amount exceeds its fair value. The Company believes that no material impairment existed at December 31, 1997.

DERIVATIVES - The Company selectively enters into interest rate protection agreements to mitigate changes in interest rates on its variable rate borrowings. The notional amounts of such agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss. None of these agreements are used for speculative or trading purposes. The cost of these agreements are included in deferred financing costs and are being amortized on a straight-line basis over the life of the agreements.

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

INCOME TAXES - The Company operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code (the "Code"). A REIT which distributes at least 95% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. The Company intends to continue to qualify as a REIT and to distribute substantially all of its taxable income to its shareholders. Accordingly, no provision has been made for Federal income taxes. The Company paid preferred dividends per share of \$19.55, \$18.56, and \$17.66 in 1997, 1996 and 1995, respectively, all of which are treated as ordinary income. The table below summarizes the common dividends paid per share and the amount representing estimated return of capital.

Common dividends per share	1997	1996	1995
- - - - -	- - - - -	- - - - -	- - - - -
Ordinary income	\$1.779	\$1.607	\$1.352
Return of capital	.391	.453	.608
	- - - - -	- - - - -	- - - - -
	\$2.170	\$2.060	\$1.960
	=====	=====	=====

CONCENTRATION OF CREDIT RISK - The Company's management performs ongoing credit evaluations of their tenants. Although the tenants operate principally in the retail industry, the properties are geographically diverse. During 1995, one tenant accounted for approximately 10% of combined base and percentage rental income. No single tenant accounted for 10% or more of combined base and percentage rental income during 1997 and 1996.

SUPPLEMENTAL CASH FLOW INFORMATION - The Company purchases capital equipment and incurs costs relating to construction of new facilities, including tenant finishing allowances. Expenditures included in construction trade payables as of December 31, 1997, 1996 and 1995 amounted to \$12,913, \$8,320, and \$11,305, respectively. Interest paid, net of interest capitalized, in 1997, 1996 and 1995 was \$12,337, 10,637, and \$10,266, respectively.

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

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## 3. DEFERRED CHARGES

Deferred charges as of December 31, 1997 and 1996 consist of the following:

	1997	1996
Deferred lease costs	\$7,658	\$6,705
Deferred financing costs	6,607	4,657
	14,265	11,362
Accumulated amortization	5,614	3,516
	\$8,651	\$7,846

Amortization of deferred lease costs for the years ended December 31, 1997, 1996 and 1995 was \$873, \$799 and \$731, respectively. Amortization of deferred financing costs, included in interest expense in the accompanying consolidated statements of operations, for the years ended December 31, 1997, 1996 and 1995 was \$1,094, \$953 and \$955, respectively. During 1996, the Company expensed the remaining unamortized financing costs totaling \$831 related to debt extinguished with other current year borrowings. Such amount is shown as an extraordinary item in the accompanying consolidated statements of operations.

## 4. LONG-TERM DEBT

Long-term debt at December 31, 1997 and 1996 consists of the following:

	1997	1996
8.75% Senior, unsecured notes, maturing March 2001	\$75,000	\$75,000
7.875% Senior, unsecured notes, maturing October 2004	75,000	---
Mortgage notes with fixed interest at:		
8.92%, maturing January 2002	48,142	48,817
8.625%, maturing September 2000	10,121	10,412
9.77%, maturing April 2005	15,787	15,975
Revolving lines of credit with variable interest rates ranging from either prime less .25% to prime or from LIBOR plus 1.50% to LIBOR plus 1.80%	5,000	27,800
	\$229,050	\$178,004

The Company maintains revolving lines of credit which provide for borrowing up to \$125,000. The agreements expire at various times through the year 2000. Interest is payable based on alternative interest rate bases at the Company's option. Amounts available under these facilities at December 31, 1997 totaled \$120,000. Certain of the Company's properties, which had a net book value of approximately \$141,221 at December 31, 1997, serve as collateral for the fixed rate mortgages and one revolving line of credit.

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

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

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

	Amount	%
1998	\$1,261	1
1999	1,379	1
2000	15,566	6
2001	76,184	33
2002	45,117	20
Thereafter	89,543	39
	\$229,050	100

## 5. DERIVATIVES AND FAIR VALUE OF FINANCIAL INSTRUMENTS

In October 1995, the Company entered into an interest rate swap effective through October 1998 with a notional amount of \$10,000 which fixed the 30 day

LIBOR index at 5.99%. The impact of this agreement, together with an interest rate swap agreement which expired during 1996, reduced mortgage interest expense by \$693 during 1995. The agreements had an insignificant effect on interest expense during 1997 and 1996.

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

The carrying amount of cash equivalents approximates fair value due to the short-term maturities of these financial instruments. The fair value of long-term debt at December 31, 1997, which is estimated as the present value of future cash flows, discounted at interest rates available at the reporting date for new debt of similar type and remaining maturity, was approximately \$232,152. The estimated fair value of the interest rate swap agreement at December 31, 1997, as determined by the issuing financial institution, was an unrealized loss of approximately \$17.

#### 6. SHAREHOLDERS' AND PARTNERSHIP EQUITY

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

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

The Preferred Shares are convertible at the option of the holder at any time into Common Shares at a rate equivalent to .901 Common Shares for each Depositary Share. At December 31, 1997, 817,107 Common Shares were reserved for the conversion of Depositary Shares. The Preferred Shares and the related Depositary Shares are not redeemable prior to

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

December 15, 1998. On and after December 15, 1998, the Preferred Shares and Depositary Shares may be redeemed at the option of the Company, in whole or in part, at a redemption price of \$25 per Depositary Share, plus accrued and unpaid dividends.

As of December 31, 1997, the ownership interests of the Operating Partnership consisted of 7,853,936 partnership Units held by the Company, 90,689 preferred partnership Units (which are convertible into approximately 817,107 general partnership Units) held by the Company and 3,033,305 partnership Units held by the limited partner. The limited partner's Units are exchangeable, subject to certain limitations to preserve the Company's status as a REIT, on a one-for-one basis for Common Shares of the Company. Preferred Units are automatically converted into general partnership Units to the extent of any conversion of Preferred Shares of the Company into Common Shares of the Company.

#### 7. EARNINGS PER SHARE

In 1997, the Company adopted SFAS No. 128, EARNINGS PER SHARE. The impact of adopting this statement had no effect on reported earnings per share for 1996 and 1995.

<TABLE>  
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
BASIC EARNINGS PER SHARE			
Income before extraordinary item	\$12,827	\$11,752	\$11,218
Less: Preferred Share dividends	(1,808)	(2,399)	(2,903)
Income available to Common Shareholders	\$11,019	\$9,353	\$8,315
Weighted average Common Shares (in thousands)	7,028	6,402	6,095
Basic earnings per share	\$1.57	\$1.46	\$1.36
	=====	=====	=====

DILUTED EARNINGS PER SHARE			
Income before extraordinary item	\$12,827	\$11,752	\$11,218
Less: preferred share dividends	(1,808)	(2,399)	(2,903)
	-----	-----	-----
Income available to Common Shareholders	\$11,019	\$9,353	\$8,315
	-----	-----	-----
Shares (in thousands):			
Weighted average Common Shares	7,028	6,402	6,095
Effect of outstanding share and unit options	112	6	1
	-----	-----	-----
Weighted average Common Shares plus assumed conversions	7,140	6,408	6,096
	-----	-----	-----
Diluted earnings per share	\$1.54	\$1.46	\$1.36
	=====	=====	=====

</TABLE>

Options to purchase Common Shares excluded from the computation of diluted earnings per share during 1997, 1996 and 1995 because the exercise price was greater than the average market price of the Common Shares totaled 9,000, 150,992 and 538,391 shares. The assumed conversion of the preferred shares as of the beginning of each year would have been anti-dilutive. The assumed conversion of the Units held by the limited partner as of the beginning of the year, which would result in the elimination of earnings allocated to the minority interest, would have no impact on earnings per share since the allocation of earnings to an Operating Partnership Unit is equivalent to earnings allocated to a Common Share.

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

8. EMPLOYEE BENEFIT PLANS

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

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

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

		1997	1996	1995
		-----	-----	-----
Net income:	As reported	\$12,827	\$11,191	\$11,218
	Pro forma	\$12,696	\$11,114	\$11,207
Basic EPS:	As reported	\$1.57	\$1.37	\$1.36
	Pro forma	\$1.55	\$1.36	\$1.36
Diluted EPS:	As reported	\$1.54	\$1.37	\$1.36
	Pro forma	\$1.53	\$1.36	\$1.36

Because the Statement 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1996 and 1995, respectively: expected dividend yields of 8%; expected lives ranging from 5 years to 7 years; expected volatility 20%; and risk-free interest rates ranging from 5.6% to 6.75% in 1996 and from 5.8% to 5.9% in 1995.

The Company may issue up to 1,500,000 shares under The 1993 Stock Option Plan and The 1993 Unit Option Plan. The Company has granted 904,530 options, net of options forfeited, through December 31, 1997. Under both plans, the option exercise price is determined by the Stock and Unit Option Committee of the Board of Directors. Non-qualified stock and Unit options granted expire 10 years from the date of grant and are exercisable in five equal installments commencing one year from the date of grant.

Options outstanding at December 31, 1997 have exercise prices between \$22.50 and \$31.25, with a weighted average exercise price of \$23.76 and a weighted average



remaining contractual life of 6.9 years. On January 6, 1998, the Company granted to its directors and employees options to purchase an additional 15,000 Common Shares and 242,600 Units in the Operating Partnership (which are exchangeable for 242,600 Common Shares of the Company). The exercise price per share and unit was set at the previous day's market closing price of \$30.125.

Unamortized stock compensation, which relates to options that were granted at an exercise price below the fair market value at the time of grant, was \$195 and \$533 at December 31, 1997 and 1996. Compensation expense recognized during 1997, 1996 and 1995 was \$338, \$338 and \$334, respectively.

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

A summary of the status of the Company's two plans at December 31, 1997, 1996 and 1995 and changes during the years then ended is presented in the table and narrative below:

	1997		1996		1995	
	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price	Shares	Wtd Avg Ex Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year	915,950	\$23.77	680,650	\$23.58	546,000	\$23.57
Granted	---	---	237,700	24.29	154,550	23.50
Exercised	(29,700)	23.68	---	---	(600)	22.50
Forfeited	(12,020)	24.41	(2,400)	23.59	(19,300)	22.70
Outstanding at end of year	874,230	\$23.76	915,950	\$23.77	680,650	\$23.58
Exercisable at end of year	470,750	\$23.46	320,410	\$23.31	184,700	\$23.11
Weighted average fair value of options granted	---		\$2.70		\$2.18	

9. SUPPLEMENTARY INCOME STATEMENT INFORMATION

The following amounts are included in property operating expenses for the years ended December 31:

	1997	1996	1995
Advertising and promotion	\$8,452	\$7,691	\$8,884
Common area maintenance	11,113	9,497	8,403
Real estate taxes	5,004	4,699	3,483
Other operating expenses	1,700	1,672	1,697
	\$26,269	\$23,559	\$22,467

10. LEASE AGREEMENTS

The Company is the lessor of a total of 1,210 stores in 30 factory outlet centers, under operating leases with initial terms that expire from 1998 to 2015. Most leases are renewable for five years at the lessee's option. Future minimum lease receipts under noncancellable operating leases as of December 31, 1997 are as follows:

1998	\$57,242
1999	51,775
2000	42,204
2001	34,410
2002	25,180
Thereafter	41,353
	\$252,164

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

11. COMMITMENTS

At December 31, 1997, commitments for construction of new developments and

additions to existing properties amounted to \$862. Commitments for construction represent only those costs contractually required to be paid by the Company.

The Company purchased the rights to lease land on which two of the outlet centers are situated for \$1,520. These leasehold rights are being amortized on a straight-line basis over 30 and 40 year periods. Accumulated amortization was \$468 and \$419 at December 31, 1997 and 1996, respectively. These land leases and other land and equipment noncancelable operating leases, with initial terms in excess of one year, have terms that expire from 2000 to 2085. Annual rental payments for these leases aggregated \$778, \$315 and \$312 for the years ended December 31, 1997, 1996 and 1995, respectively. Minimum lease payments for the next five years and thereafter are as follows:

1998	\$1,052
1999	1,069
2000	1,070
2001	1,063
2002	1,015
Thereafter	43,121
	-----
	\$48,390
	=====

## 12. ACQUISITIONS

During 1997, the Company completed the acquisition of three factory outlet centers containing approximately 303,000 square feet of gross leasable area for purchase prices which aggregated \$37,500. The acquisitions were accounted for using the purchase method whereby the purchase price was allocated to assets acquired based on their fair values. The results of operations of the acquired properties have been included in the consolidated results of operations since the applicable acquisition date.

The following unaudited summarized pro forma results of operations reflect adjustments to present the historical information as if the acquisitions had occurred as of the beginning of the respective period. The pro forma information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had the acquisitions occurred at the beginning of the respective period, nor does it purport to represent the results of operations for future periods.

	1997	1996
	-----	-----
	(Unaudited)	
Total revenues	\$87,314	\$81,006
Income before extraordinary item	12,967	11,722
Net income	12,967	11,161
Basic net income per common share:		
Income before extraordinary item	1.59	1.46
Net income	1.59	1.37
Diluted net income per common share:		
Income before extraordinary item	1.56	1.46
Net income	1.56	1.37
	=====	=====

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

## 13. QUARTERLY FINANCIAL INFORMATION (Unaudited)

The following table sets forth summary quarterly financial information for the years ended December 31, 1997 and 1996.

<TABLE> <CAPTION>				
1997 BY QUARTER				
	FIRST	SECOND	THIRD	FOURTH
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Total revenues	\$19,225	\$20,456	\$21,657	\$23,933
Income before minority interest	3,965	3,857	4,369	5,392
Net income	2,858	2,814	3,162	3,993
Basic net income per common share (1)	.36	.34	.40	.45
Diluted net income per common share (1)	.36	.34	.39	.44
	-----	-----	-----	-----
1996 BY QUARTER				
	FIRST	SECOND	THIRD	FOURTH
	-----	-----	-----	-----
Total revenues	\$18,123	\$18,189	\$19,453	\$19,735
Income before minority interest and extraordinary item	3,910	3,591	4,083	4,593
Income before extraordinary item	2,849	2,634	2,964	3,305
Net income	2,288	2,634	2,964	3,305

Basic earnings per common share:				
Income before extraordinary item	.35	.32	.37	.42
Net income	.26	.32	.37	.42
Diluted earnings per common share:				
Income before extraordinary item	.35	.32	.37	.42
Net income	.26	.32	.37	.42

</TABLE>

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

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# REPORT OF INDEPENDENT ACCOUNTANTS

Our report on the consolidated financial statements of Tanger Factory Outlet Centers, Inc. and Subsidiary is included on page F-1 of this Form 10-K. In connection with our audits of such financial statements, we have also audited the related financial statement schedule listed in the index on page 27 of this Form 10-K.

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

COOPERS & LYBRAND L.L.P.

Greensboro, North Carolina  
January 19, 1998

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# TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED DECEMBER 31, 1997 (In thousands)

<TABLE>  
<CAPTION>

Description			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition (Improvements)	
			Buildings, Improvements & Fixtures		Buildings, Improvements & Fixtures	
Outlet Center Name	Location	Encumbrances	Land		Land	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Barstow	Barstow, CA	\$ ---	\$3,941	\$12,533	\$ ---	\$863
Blowing Rock	Blowing Rock, NC	---	1,963	9,424	---	---
Boaz	Boaz, AL	---	616	2,195	---	1,048
Bourne	Bourne, MA	---	899	1,361	---	185
Branch	N. Branch, MN	---	423	5,644	249	2,321
Branson	Branson, MO	---	4,557	25,040	---	3,296
Casa Grande	Casa Grande, AZ	---	753	9,091	---	1,196
Clover	North Conway, NH	---	393	672	---	49
Commerce I	Commerce, GA	10,121	755	3,511	492	5,509
Commerce II	Commerce, GA	---	1,299	14,046	541	9,661
Gonzales	Gonzales, LA	---	947	15,895	17	3,381
Kittery-I	Kittery, ME	5,970	1,242	2,961	229	1,173
Kittery-II	Kittery, ME	---	921	1,835	530	222
Lancaster	Lancaster, PA	15,787	3,691	19,907	---	5,416
Lawrence	Lawrence, KS	---	1,013	5,542	439	443
LL Bean	North Conway, NH	---	1,894	3,351	---	165
Locust Grove	Locust Grove, GA	---	2,609	11,801	---	6,980
Manchester	Manchester, VT	---	500	857	---	66
Martinsburg	Martinsburg, WV	---	800	2,812	---	1,256
McMinnville	McMinnville, OR	---	1,071	8,162	5	518
Nags Head	Nags Head, NC	---	1,853	6,679	---	---
Pigeon Forge	Pigeon Forge, TN	---	299	2,508	---	995
Riverhead	Riverhead, NY	---	---	36,374	6,152	53,088
San Marcos	San Marcos, TX	10,206	2,012	9,440	17	8,940
Sevierville	Sevierville, TN	---	---	18,495	---	4,303

<CAPTION>

Gross Amount Carried at Close of Period  
12/31/97 (1)

Life

Used to	Description	-----					
Compute							
Depreciation		Buildings,					
Outlet Center		Improvements					
Income							in
Name	Location	Land	& Fixtures	Total	Accumulated Depreciation	Date of Construction	
Statement							
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
<C>							
Barstow (2)	Barstow, CA	\$3,941	\$13,396	\$17,337	\$2,132	1995	
Blowing Rock (2)	Blowing Rock, NC	1,963	9,424	11,387	79	1997 (3)	
Boaz (2)	Boaz, AL	616	3,243	3,859	1,232	1988	
Bourne (2)	Bourne, MA	899	1,546	2,445	623	1989	
Branch (2)	N. Branch, MN	672	7,965	8,637	2,226	1992	
Branson (2)	Branson, MO	4,557	28,336	32,893	4,446	1994	
Casa Grande (2)	Casa Grande, AZ	753	10,287	11,040	3,205	1992	
Clover (2)	North Conway, NH	393	721	1,114	326	1987	
Commerce I (2)	Commerce, GA	1,247	9,020	10,267	2,968	1989	
Commerce II (2)	Commerce, GA	1,840	23,707	25,547	1,691	1995	
Gonzales (2)	Gonzales, LA	964	19,276	20,240	4,494	1992	
Kittery-I (2)	Kittery, ME	1,471	4,134	5,605	1,785	1986	
Kittery-II (2)	Kittery, ME	1,451	2,057	3,508	737	1989	
Lancaster (2)	Lancaster, PA	3,691	25,323	29,014	3,314	1994 (3)	
Lawrence (2)	Lawrence, KS	1,452	5,985	7,437	1,287	1993	
LL Bean (2)	North Conway, NH	1,894	3,516	5,410	1,404	1988	
Locust Grove (2)	Locust Grove, GA	2,609	18,781	21,390	2,542	1994	
Manchester (2)	Manchester, VT	500	923	1,423	355	1988	
Martinsburg (2)	Martinsburg, WV	800	4,068	4,868	1,500	1987	
McMinnville (2)	McMinnville, OR	1,076	8,680	9,756	2,053	1993	
Nags Head (2)	Nags Head, NC	1,853	6,679	8,532	63	1997 (3)	
Pigeon Forge (2)	Pigeon Forge, TN	299	3,503	3,802	1,373	1988	
Riverhead (2)	Riverhead, NY	6,152	89,462	95,614	5,843	1993	
San Marcos (2)	San Marcos, TX	2,029	18,380	20,409	2,929	1993	
Sevierville (2)	Sevierville, TN	---	22,798	22,798	503	1997 (3)	

</TABLE>

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY  
SCHEDULE III - (CONTINUED)  
REAL ESTATE AND ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 1997  
(In thousands)

<TABLE>  
<CAPTION>

Description		Initial Cost to Company			Costs Capitalized Subsequent to Acquisition (Improvements)	
Outlet Center Name	Location	Encumbrances	Land	Buildings, Improvements & Fixtures	Land	Buildings, Improvements & Fixtures
<S>	<C>	<C>	<C>	<C>		<C>
Seymour	Seymour, IN	8,184	1,794	13,249	---	16
Stroud	Stroud, OK	---	446	7,048	---	4,782
Terrell	Terrell, TX	---	805	13,432	---	3,850
West Branch	West Branch, MI	6,836	350	3,428	120	3,516
Williamsburg	Williamsburg, IA	16,946	706	6,781	716	9,337
Totals		\$74,050	\$38,552	\$274,074	\$9,507	\$132,575

<CAPTION>

Description		Gross Amount Carried at Close of Period 12/31/97 (1)			Life Used		
to							
Compute							
Depreciation			Buildings,				
Outlet Center			Improvements		Accumulated	Date of	in Income
Name	Location	Land	& Fixtures	Total	Depreciation	Construction	Statement
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Seymour	Seymour, IN	1,794	13,265	15,059	2,397	1994	(2)
Stroud	Stroud, OK	446	11,830	12,276	3,348	1992	(2)
Terrell	Terrell, TX	805	17,282	18,087	2,881	1994	(2)
West Branch	West Branch, MI	470	6,944	7,414	1,863	1991	(2)
Williamsburg	Williamsburg, IA	1,422	16,118	17,540	4,578	1991	(2)
Totals		\$48,059	\$406,649	\$454,708	\$64,177		

</TABLE>

(1) AGGREGATE COST FOR FEDERAL INCOME TAX PURPOSES IS APPROXIMATELY \$429,597,000

(2) THE COMPANY GENERALLY USES ESTIMATED LIVES RANGING FROM 25 TO 33 YEARS FOR BUILDINGS AND 15 YEARS FOR LAND IMPROVEMENTS. TENANT FINISHING ALLOWANCES ARE DEPRECIATED OVER THE INITIAL LEASE TERM.

(3) REPRESENTS YEAR ACQUIRED

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARY  
SCHEDULE III - (CONTINUED)  
REAL ESTATE AND ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 1997  
(In thousands)

The changes in total real estate for the three years ended December 31, 1997 are as follows:

	1995	1996	1997
<S>	<C>	<C>	<C>
Balance, beginning of year	\$292,406	\$325,881	\$358,361
Acquisition of real estate	---	---	37,500
Improvements	33,475	32,511	59,519
Dispositions and other	---	(31)	(672)
Balance, end of year	\$325,881	\$358,361	\$454,708

</TABLE>

The changes in accumulated depreciation for the three years ended December 31, 1997 are as follows:

<TABLE>  
<CAPTION>

	1995	1996	1997
<S>	<C>	<C>	<C>
Balance, beginning of year	\$18,007	\$31,458	\$46,907
Depreciation for the period	13,451	15,449	17,327
Dispositions and other	---	---	(57)
	-----	-----	-----
Balance, end of year	\$31,458	\$46,907	\$64,177
	=====	=====	=====

</TABLE>

REVOLVING CREDIT AGREEMENT

Dated: As of December 18, 1997

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

("Borrower")

and

FLEET NATIONAL BANK

("Lender")

\$25,000,000.00

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#### REVOLVING CREDIT AGREEMENT

This is a Revolving Credit Agreement (this "Revolving Credit Agreement") made and entered into as of the 18th day of December, 1997, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") and FLEET NATIONAL BANK, a national banking association having an address at 75 State Street, Boston, Massachusetts, 02109 ("Lender").

#### WITNESSETH:

##### 1. BACKGROUND.

1.1 Defined Terms. Capitalized terms used in this Revolving Credit Agreement are defined either in Exhibit A, or in specific sections of this Revolving Credit Agreement, or in another Loan Document, as referenced in Exhibit A

1.2 Borrower. Borrower is a limited partnership organized under the laws of the State of North Carolina of which the sole general partner is Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina.

1.3 Use of Proceeds. Borrower has applied to Lender to establish a revolving line of credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to closing the Facility.

1.4 Guaranties and Indemnities. As an inducement to Lender to establish the Facility, Tanger Factory Outlet Centers, Inc., having an address at 1400 West Northwood Street, Greensboro, North Carolina (the "Guarantor") has agreed to furnish a certain guaranty.

1.5 Facility. Subject to all of the terms, conditions and provisions of this Revolving Credit Agreement, and of the agreements and instruments referred to herein, Lender agrees to establish the Facility and Borrower agrees to accept and repay proceeds outstanding under the Facility.

## 2. ESTABLISHMENT OF FACILITY.

2.1 Facility. The Lender hereby establishes the Facility in the Borrower's favor pursuant to which the Lender agrees to lend to the Borrower until the Termination Date, and the Borrower agrees to borrow from the Lender, from time to time, loans and advances (the "Advances"), provided that the aggregate principal amount of the Facility at any one time outstanding hereunder shall not exceed the Maximum Commitment Amount.

2.2 Advances. The Borrower may request in writing Advances under the Facility.

2.2.1 Time of Advance. At the time of each Advance under the Facility, the Borrower shall immediately become indebted to the Lender for the amount thereof. Each Advance made by the Lender may, at the Lender's option, be (i) credited by the Lender to any deposit account of the Borrower; (ii) paid to the Borrower; or (iii) applied to any Obligation of the Borrower to the Lender (each of the foregoing of which may be by check, draft, or other written order or by bank wire or other transfer).

2.2.2 Certifications. Upon requesting an Advance under the Facility, the Borrower shall be deemed to have certified that as of the date of such request, the following representations are each true and correct:

(i) to the best of the Borrower's knowledge, there has been no material adverse change in the Borrower's or Guarantor's financial condition from the most recent financial information furnished the Lender pursuant to this Revolving Credit Agreement; and

(ii) to the best of the Borrower's knowledge, the Borrower and the Guarantor are in compliance with, and have not breached any of, the covenants contained in this Revolving Credit Agreement; and

(iii) no event has occurred nor failed to occur which occurrence or failure is, or with the passage of time or giving of notice (or both), would constitute, an Event of Default (as described herein), whether or not the Lender has exercised any of its rights upon such occurrence or failure.

2.3 Maximum Facility. The maximum availability under the Facility shall be \$25,000,000.00 (the "Maximum Commitment Amount").

2.4 Interest Rate and Payment Terms. The Facility shall be payable as to interest and principal in accordance with the provisions of a certain Promissory Note dated even date herewith

(the "Note"). The Note also provides for interest at a Default Rate (as defined in the Note), Late Charges (as defined in the Note) and prepayment rights and fees.

## 2.5 Fees.

2.5.1 Commitment Fee. Borrower shall pay a loan commitment fee in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00), representing one half of one percent (0.50%) of the Maximum Commitment Amount, of which Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid previously, (ii) Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid as of the date hereof, and (iii) the balance of which shall be payable on the earlier of (x) the date one (1) year from the date hereof or (y) the Termination Date; provided however, the Commitment Fee shall be entirely earned as of the date hereof.

2.5.2 Facility Fee. Borrower shall pay annually, as compensation for the Lender's maintenance of sufficient funds available for such purpose, in arrears, a facility fee in an amount equal to twelve and one half (12.5) basis points computed on the average undrawn portion of the Facility. The facility fee shall be calculated as of the 18th day of December of each year; provided however, as of the Termination Date, the facility fee shall be calculated in its entirety for that portion of the year expired as of the Termination Date. The facility fee shall be due and payable on or before twenty (20) days

after Borrower's receipt of a statement from the Lender as to the amount of such facility fee. The Lender agrees to provide the Borrower with a worksheet detailing each calculation of the average undrawn portion of the Facility.

3. LOAN DOCUMENTS. The obligations outstanding under the Facility together with interest thereon and all other charges and amounts payable by, and all other obligations of, Borrower to Lender, whenever incurred, direct or indirect, absolute or contingent, arising under the Facility or the Loan Documents ("Obligations") shall be made, evidenced, administered, and governed by all of the terms, conditions and provisions of the "Loan Documents", each as the same may be hereafter modified or amended, consisting of: (i) this Revolving Credit Agreement; (ii) the Note; (iii) the Guaranty from Guarantor; and (iv) any other documents, instruments, or agreements executed to further evidence or secure the Facility. Each of the Loan Documents listed in items (i) through (iv), inclusive is dated of even date herewith.

4. CONTINUING AUTHORITY OF AUTHORIZED REPRESENTATIVES. Lender is authorized to rely upon the continuing authority of the persons, officers, signatories or agents hereafter designated

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("Authorized Representatives") to bind Borrower with respect to all matters pertaining to establishment of the Facility and the Loan Documents including, but not limited to, requests for Advances and the selection of interest rates. Such authorization may be changed only upon written notice to Lender accompanied by evidence, reasonably satisfactory to Lender, of the authority of the person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by Lender. The present Authorized Representatives are listed on Exhibit C. Lender shall have a right of approval, not to be unreasonably withheld or delayed, over the identity of the Authorized Representatives so as to assure Lender that each Authorized Representative is a responsible and senior official of Borrower.

5. CONDITIONS PRECEDENT. It shall be a condition precedent of Lender's obligation to establish the Facility and make each future Advance thereunder that each of the following conditions precedent be satisfied in full (as determined by Lender in its discretion, which discretion shall be exercised in good faith), unless specifically waived in writing by Lender at or prior to closing and at or prior to each Advance under the Facility:

5.1 Satisfactory Loan Documents. Each of the Loan Documents shall be satisfactory in form, content and manner of execution and delivery to Lender and its counsel.

5.2 No Material Change. No material adverse change shall have occurred in the financial condition, business, affairs, operations or control of Borrower or Guarantor, since the date of their respective financial statements most recently delivered to Lender: as of the date hereof, September 30, 1997 for Borrower; September 30, 1997 for Guarantor.

5.3 Warranties and Representations Accurate. All warranties and representations made by or on behalf of any of Borrower, or Guarantor, to Lender shall be true, accurate and complete in all material respects and shall not omit any material fact necessary to make the same not misleading.

5.4 Financials. Lender shall have received and approved financial statements from Borrower and Guarantor complying with the standards set forth in Section 7.2.

5.5 Hazardous Waste, Hazardous Materials and Toxic Substances. The Lender shall have received, and in its sole discretion approved, satisfactory reports from acceptable, qualified professionals prepared in accordance with Lender's protocols indicating the acceptability of the environmental risk for such of the Borrower's properties, as requested by the Lender.

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5.6 Organizational Documents and Entity Agreements. Lender shall have received and approved (i) the partnership agreement and organizational documents of the Borrower and (ii) the corporate organizational documents of the Guarantor.

5.7 Votes, Consents and Authorizations. Lender shall have received and approved certified copies of all partnership, entity and corporate votes, consents and authorizations as may be reasonably required to evidence authority for: (i) establishing the Facility and the transactions contemplated hereby; (ii) providing continuing authorization to designated persons to deal in all respects on behalf of Borrower; and (iii) the execution of all Loan Documents.

5.8 Legal and Other Opinions. Lender shall have received and approved legal opinion letters from counsel representing Borrower and Guarantor which meet Lender's legal opinion requirements previously furnished to Borrower and Guarantor.

5.9 Leasing Matters. To the extent requested, Lender shall have received and approved current rent rolls for the Borrower's properties.

5.10 No Event of Default. There shall not be any Event of Default under any of the Loan Documents.

6. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents to Lender for the express purpose of inducing Lender to enter into this Revolving Credit Agreement, to make Advances under the Facility, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Revolving Credit Agreement, upon the date the initial Advance is funded and at all times thereafter until the Facility has been repaid and all Obligations to Lender have been satisfied as follows:

6.1 Financial Information. True, accurate and complete financial statements of Borrower and Guarantor have been delivered to Lender and the same fairly present the financial condition of Borrower and Guarantor as of the dates thereof and no material and adverse change has occurred in such financial condition since the dates thereof. All financial statements of Borrower and Guarantor hereafter furnished to Lender shall be true, accurate and complete and shall fairly present the financial condition of Borrower and Guarantor as of the dates thereof.

6.2 No Violations. The establishment of the Facility and the subsequent payment and performance of the obligations evidenced by the Loan Documents shall not constitute a violation of, or conflict with, any law, order, regulation, contract, agreement or organizational document to which Borrower or

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Guarantor is a party or by which Borrower or Guarantor, or the property thereof, may be bound.

6.3 No Litigation. There is no material litigation now pending, or to the best of Borrower's knowledge threatened, against Borrower or Guarantor which if adversely decided could materially impair the ability of Borrower or Guarantor to pay and perform its obligations hereunder or under the other Loan Documents.

6.4 Compliance With Legal Requirements and Environmental Legal Requirements. The use, operation, ownership, and development of the Borrower's properties comply with, and shall continue to comply with, all material Legal Requirements and Environmental Legal Requirements, and any and all covenants, conditions, restrictions or other matters which materially affect the Borrower's properties.

6.5 Required Licenses and Permits. All Licenses and Permits which are reasonably required in order to use, operate, own and develop the Borrower's properties in the usual course of business have been duly and properly obtained, and will remain in full force and effect, and have been, and shall be complied with, in all material respects.

6.6 Use of Proceeds. The Advances under the Facility shall be used solely and exclusively to provide funds to support development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to establishment of the Facility. No portion of the proceeds of the Facility shall be used directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase or carry any margin stock, or to extend credit to others for the purpose thereof, or to repay or refund indebtedness previously incurred for such purpose, or (ii) for any purpose which would violate or is inconsistent with the provisions of regulations of the Board of Governors of the Federal Reserve System including, without limitation, Regulations G, T, U and X thereof.

6.7 Entity Matters.

6.7.1 Organization.

(i) Borrower. Borrower is a duly organized validly existing limited partnership in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business

and to own its property, as now conducted or owned, and as contemplated by this Revolving Credit Agreement.

(ii) Guarantor. Guarantor is a duly organized validly existing corporation in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business, as now conducted, and as contemplated by this Revolving Credit Agreement.

6.7.2 Ownership and Taxpayer Identification Numbers. All of the general partners of Borrower, and a description of the ownership interests of Borrower held by the same, are listed in Exhibit B. The identity and ownership of any Guarantor which is not natural person is accurately stated on Exhibit B. The taxpayer identification numbers of Borrower and the Guarantor are accurately stated in Exhibit B.

6.7.3 Authorization. All required partnership and corporate actions and proceedings have been duly taken so as to authorize the execution and delivery by Borrower and, where applicable, Guarantor of the Loan Documents.

6.8 Valid and Binding. Each of the Loan Documents constitute legal, valid and binding obligations of Borrower and, where applicable, Guarantor, in accordance with the respective terms thereof, subject to bankruptcy, insolvency and similar laws of general application affecting the rights and remedies of creditors and, with respect to the availability of the remedies of specific enforcement, subject to the discretion of the court before which any proceeding therefor may be brought.

6.9 Deferred Compensation and ERISA. Borrower does not have any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by Title IV of the Employment Retirement Security Act of 1974, as now or hereafter amended ("ERISA") except as may be designated to Lender in writing by Borrower from time to time ("ERISA Plan") and no "Reportable Event" as defined in ERISA has occurred and is now continuing with respect to any such ERISA Plan. The establishing of the Facility, the performance by Borrower of its obligations under the Loan Documents and Borrower's conducting of its operations do not and will not violate any provisions of ERISA.

6.10 Conditions Satisfied. Assuming that Lender has approved all matters requiring their approval, all of the conditions precedent to establishing the Facility set forth in Section 5 have been satisfied.

6.11 No Material Change; No Event of Default. There has been no material adverse change in the financial condition, business, affairs or control of Borrower or Guarantor since the date of their respective last financial statements most recently delivered to the Lender in accordance with the requirements of Section 7.2 hereof. No Event of Default exists under any of the Loan Documents. There is no Event of Default on the part of Borrower or Guarantor under this Revolving Credit Agreement or any of the other Loan Documents and to the best of the Borrower's knowledge, no event has occurred and is continuing which could constitute an Event of Default under any Loan Document. Borrower has filed all required federal, state and local tax returns and has paid all taxes due pursuant to such returns or any assessments against Borrower or the Borrower's assets.

6.12 No Broker or Finder. Neither Borrower, nor Guarantor, nor anyone on behalf thereof, has dealt with any broker, finder or other person or entity who or which may be entitled to a broker's or finder's fee, or other compensation, payable by Lender in connection with establishing of the Facility.

6.13 Background Information and Certificates. All of the factual information contained or referred to in Section 1 of this Revolving Credit Agreement and in the Exhibits to this Revolving Credit Agreement or the other Loan Documents, and in the certificates and opinions furnished to Lender by or on behalf of Borrower in connection with the Facility, is true, accurate and complete in all material respects, and omits no material fact necessary to make the same not misleading.

6.14 Guarantor's Warranties and Representations. Borrower has no reason to believe that any warranties or representations made in writing by Guarantor to Lender are untrue, incomplete or misleading in any respect.

7. COVENANTS. Borrower covenants and agrees that from the date hereof and so long as any Obligations remain outstanding hereunder, or there exists any

availability to make Advances under the Facility, as follows:

7.1 Notices. Borrower shall, with reasonable promptness, but in all events within ten (10) days after it has actual knowledge thereof, notify Lender in writing of the occurrence of any act, event or condition (i) which constitutes an Event of Default under any of the Loan Documents or (ii) which would constitute, solely with the passage of time or the giving of notice, an Event of Default. Such notification shall include a written statement of any remedial or curative actions which Borrower proposes to undertake to cure or remedy such Event of Default.

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7.2 Financial Statements and Reports. Borrower shall furnish or cause to be furnished to Lender from time to time, the following financial statements and reports and other information, all in form, manner of presentation and substance acceptable to Lender:

7.2.1 Annual Statements. Within 120 days of the fiscal year end of the Borrower and the Guarantor, audited consolidating financial statements of Borrower and Guarantor prepared in accordance with GAAP, or other recognized method of accounting acceptable to Lender, consistently applied, by an independent, certified public accountant acceptable to Lender, such financial statements to include and to be supplemented by such detail and supporting data and schedules as Lender may from time to time reasonably determine, including, without limitation, consolidated financial statements consisting of a balance sheet as of the end of the fiscal year, income statements, and statements of cash flows for the fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, as reported in the Form 10-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all being certified by the General Partner of the Borrower and the chief financial officer of the Guarantor;

7.2.2 Periodic Statements. Within 45 days following the end of each fiscal quarter the following,

(i) Certified Internally Prepared Financial Statements. For the Borrower and the Guarantor, internally prepared financial statements consisting of the consolidated and consolidating balance sheets, income statements, and statement of cash flows for the quarter just ended, and for the fiscal year through the quarter, as reported in the Form 10-Q of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all certified by the General Partner and the chief financial officer of the Guarantor, as having been prepared in accordance with GAAP consistently applied; and

(ii) Certificate of Compliance. Contemporaneously with the delivery of the reports referred to in clause (i) above, a certification by the general partner of Borrower and the chief financial officer of the Guarantor (the "Certificate of Compliance") (x) as to the status and compliance of the financial covenants set forth in Section 8 below and (y) to the Borrower's knowledge that there is not occurring an Event of Default, which certification shall be in the form attached hereto as Exhibit D.

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7.2.3 Data Requested. Within a reasonable period of time and from time to time, but no more frequently than quarterly unless an Event of Default has occurred and is continuing, such other financial data or information as Lender may reasonably request with respect to the Borrower or the Guarantor, including, without limitation, the Form 8-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission.

7.3 Payment of Taxes and Other Obligations. Borrower shall duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges payable by it, or with respect to any of the Borrower's properties.

7.4 Conduct of Business; Compliance With Law. Borrower shall own, develop, operate and use its properties and conduct its affairs in a lawful manner and in compliance with all Legal Requirements and Environmental Legal Requirements applicable thereto and all provisions of ERISA to the extent that a failure to do so would result in a material adverse effect in the conduct of the Borrower's business or the ability of the Borrower to perform its obligations

hereunder.

7.5 Insurance. Borrower shall at all times maintain in full force and effect the insurance coverages satisfactory to the Lender. All insurance premiums shall be paid annually, in advance, and Lender shall be provided with evidence of such prepayment of insurance premiums prior to closing and upon the request of Lender. The Lender acknowledges that the insurance as of the date hereof as reflected in the Certificate of Insurance provided by the Borrower is satisfactory to the Lender.

7.6 Indemnification Against Payment of Brokers' Fees. Borrower agrees to defend, indemnify and save harmless Lender from and against any and all liabilities, damages, penalties, costs, and expenses, relating in any manner to any brokerage or finder's fees in respect of establishing the Facility.

7.7 Limitations On Certain Transactions. Borrower and Guarantor agrees to the following limitations:

7.7.1 No Merger or Acquisition. Neither the Borrower nor the Guarantor shall dissolve or liquidate, nor, without notice to the Lender, merge or consolidate with any other entity.

7.7.2 Guarantor's Status as a REIT. The Guarantor is and shall continue to be in compliance with all requirements of law relative to its status as a Real Estate Investment Trust ("REIT") (including without limitation the Securities Act and the Securities Exchange Act, and the applicable rules and regulations thereunder, state securities laws and

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"Blue Sky") applicable to it and its respective businesses, in each case, where the failure to comply would have a material adverse effect on the Guarantor's status as a REIT. The Guarantor has made all filings with and obtained all consents of the Securities and Exchange Commission as required under the Securities Act and the Securities Exchange Act in connection with the execution, delivery and performance by the Guarantor of each of the Obligations incurred in connection with the Loan Documents.

7.7.3 Limitations on Investments. Except for its interest in the Borrower, Guarantor shall be prohibited from investing in any other partnerships, corporations, limited liability companies or other entities whatsoever.

7.7.4 Limitations on Conduct. Guarantor shall be prohibited from engaging in, or conducting, any business whatsoever other than the operations conducted in its capacity as general partner of the Borrower.

7.7.5 Limitations on Acquisitions. Guarantor shall be prohibited from purchasing or acquiring any assets whatsoever other than those assets purchased or acquired in its capacity as general partner of the Borrower.

7.7.6 Consent to Certain Actions. The Guarantor shall be allowed to undertake any of the actions prohibited in Sections 7.7.3, 7.7.4 or 7.7.5, with the prior written consent of the Lender. In the event that the Borrower requests any such consent in writing, if the Lender does not within fifteen (15) Business Days of the Lender's receipt of such written request, and all information reasonably required in order to evaluate such request, provide either the Lender's written consent or disapproval thereof, such consent shall be deemed to have been granted by the Lender.

7.8 Deposit of Proceeds; Other Bank Accounts.

7.8.1 Borrower shall establish a demand (checking) account with Lender. The following account(s) have been opened for the purpose of creating a depository account for the Property: Account No. \_\_\_\_\_ at Fleet National Bank in the name of Tanger Properties Limited Partnership(the "Account").

7.8.2 Lender is hereby authorized, on or after the due date, to charge the Account with the amount of all payments due under this Revolving Credit Agreement, the Note or the other Loan Documents. The failure of Lender to so charge such account shall not affect or limit Borrower's obligation to make any required payment.

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7.8.3 (i) If any payment is not made when due under any of the Loan Documents, after giving regard to applicable grace periods, if any, or (ii) if any Event of Default or other event which would entitle Lender to accelerate the indebtedness under the Note; then, in any such event, any deposits, balances or other sums credited by or due from Lender in the Account, may to the fullest extent not prohibited by applicable law at any time or from time to time, without regard to the existence, sufficiency or adequacy of any other collateral, and without notice or compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise, all of which are hereby waived, be set off, debited and appropriated, and applied by Lender against any or all of Borrower's Obligations irrespective of whether demand shall have been made and although such Obligations may be unmatured, in such manner as Lender in its sole and absolute discretion may determine. Within five (5) Business Days of making any such set off, debit or appropriation and application with respect to the Account, Lender agrees to notify Borrower thereof, provided the failure to give such notice shall not affect the validity of such set off, debit or appropriation and application.

7.9 Place for Records: Inspection. Borrower shall maintain business records at the address specified at the beginning of this Revolving Credit Agreement, as such address may be changed upon notice to the Lender. Upon notice and at reasonable times during normal business hours Lender shall have the right (through such agents or consultants as Lender may designate) to examine Borrower's assets, including, without limitation, the Borrower's properties, and make copies of and abstracts from Borrower's books of account, correspondence and other records and to discuss its financial and other affairs with any of its partners and any accountants hired by Borrower, it being agreed that Lender shall use reasonable efforts to not divulge information obtained from such examination to others except in connection with Legal Requirements and in connection with administering the Facility, enforcing its rights and remedies under the Loan Documents and in the conduct, operation and regulation of its banking and lending business (which may include, without limitation, the transfer of the Facility or of participation interests therein). Any transferee of the Facility or any holder of a participation interest in the Facility shall be entitled to deal with such information in the same manner and in connection with any subsequent transfer of its interest in the Facility or of further participation interests therein.

7.10 Costs and Expenses. Borrower shall pay all fees, costs and expenses reasonably incurred by Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any subsequent amendments thereto, and the enforcement of Lender's rights under the Loan Documents,

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including, without limitation, reasonable legal fees and disbursements.

7.11 Indemnification. Borrower shall at all times, both before and after repayment of the Obligations, at its sole cost and expense defend, indemnify, exonerate and save harmless Lender and all those claiming by, through or under Lender ("Indemnified Party") against and from all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind whatsoever, including, without limitation, reasonable attorneys' fees and experts, fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Party and arising from or out of:

- (i) any Hazardous Materials or any violation of any Environmental Legal Requirements applicable to the Borrower's properties, the Borrower, or both;

- (ii) any liability for damage to person or property arising out of any violation of any Legal Requirement applicable to the Borrower's properties, Borrower, or both; or

- (iii) any act, omission, negligence or conduct at the Borrower's properties, or arising or claimed to have arisen, out of any act, omission, negligence or conduct of Borrower or any contractor, sub contractor, tenant, occupant or invitee thereof, which is in any way related to the Borrower's properties.

Notwithstanding the foregoing, an Indemnified Party shall not be entitled to indemnification in respect of claims arising from acts of its own gross negligence or willful misconduct to the extent that such gross negligence or willful misconduct is determined by the final judgment of a court of competent jurisdiction, not subject to further appeal, in proceedings to which such Indemnified Party is a proper party.



7.12 Maintenance of Borrower's properties. Borrower shall protect and maintain, or cause to be maintained, in a manner consistent with Borrower's current maintenance standards at all times, the buildings and structures now standing or hereafter erected on the Borrower's properties, and any additions and improvements thereto, and all personal property now or hereafter situated therein, and the utility services, the parking areas and access roads, and all building fixtures and equipment and articles of personal property now or hereafter acquired and used in connection with the operation of the Borrower's properties.

7.13 Acquisitions and Dispositions of Borrower's assets. Borrower shall provide Lender with written notice of all

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dispositions or acquisitions of Projects within fifteen (15) days of said disposition or acquisition.

7.14 Replacement Documentation. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon surrender and cancellation of such Note or other security document, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor.

8. FINANCIAL COVENANTS. Each of the financial covenants set forth hereunder shall be calculated as of the Calculation Date, and shall be determined in a manner acceptable to Lender.

8.1 Fair Market Minimum Net Worth. Borrower shall maintain a Fair Market Minimum Net Worth equal to or in excess of \$175,000,000.00.

8.2 Total Liabilities to Total Adjusted Asset Value. Borrower shall not permit the ratio of Total Liabilities to Total Adjusted Asset Value to exceed sixty (60%) percent.

8.3 Secured Indebtedness to Total Adjusted Asset Value. Borrower shall not permit the ratio of Secured Indebtedness to Total Adjusted Asset Value to exceed forty (40%) percent.

8.4 EBITDA to Debt Service. Borrower shall maintain the ratio of (i) EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) Debt Service for the twelve (12) month period ending on such Calculation Date equal to or in excess of 2.0: 1.0.

8.5 Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value. Borrower shall not permit the ratio of Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value to exceed sixty (60%) percent.

8.6 Unencumbered EBITDA to Total Outstanding Unsecured Indebtedness. Borrower shall maintain the ratio of (i) Unencumbered EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) that portion of interest expense attributable to Total Outstanding Unsecured Indebtedness for the twelve (12) month period ending on the Calculation Date, equal to or in excess of 2.25: 1.0.

8.7 Distributions. Annual dividends and distributions will not exceed Funds From Operations, and will be measured at each fiscal year end.

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8.8 Projects Under Development to Total Adjusted Asset Value. Borrower will not permit the ratio of the cost value of Projects Under Development to exceed twenty five (25%) percent of Total Adjusted Asset Value.

8.9 Undeveloped Land Holdings to Total Adjusted Asset Value. Borrower shall not permit the ratio of cost value of all undeveloped holdings (raw land) (exclusive of any properties determined to be Projects Under Development) determined in accordance with GAAP to exceed fifteen (15%) percent of Total Adjusted Asset Value.

8.10 Total Variable Rate Indebtedness to Total Adjusted Asset Value. Borrower will not permit the ratio of Total Variable Rate Indebtedness to exceed twenty (20%) percent of Total Adjusted Asset Value.

9. EVENTS OF DEFAULT. The following provisions deal with Events of Default, notice, grace and cure periods, and certain rights of Lender following an Event of Default.

9.1 Events of Default. Each of the following events, unless cured within any applicable grace period set forth or referred to below in this Section 9.2 shall constitute an "Event of Default":

9.1.1 Generally. A default by Borrower in the performance of any term, provision or condition of this Revolving Credit Agreement to be performed by Borrower, or a breach, or other failure to satisfy, any other term, provision, condition, covenant or warranty under this Revolving Credit Agreement and such default is not waived and remains uncured beyond any applicable specific grace period provided for in this Revolving Credit Agreement, or as set forth in Section 9.2 below;

9.1.2 Note and Other Loan Documents. A default by Borrower in the payment of any principal or interest due under the Note on the due date thereof or performance of any term or provision of the Note, or of any of the other Loan Documents, or a breach, or other failure to satisfy, any other term, provision, condition or warranty under the Note, or any other Loan Document, regardless of whether the then undisbursed portion of the Facility is sufficient to cover any payment of money required thereby, and the specific grace period, if any, allowed for the default in question shall have expired without such default having been cured or waived;

9.1.3 Other Indebtedness. The occurrence of an event constituting a default (after the expiration of any applicable grace period without the cure or waiver thereof) under the terms of any other Indebtedness of the Borrower to

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any one third party in the amount in excess of Five Million Dollars (\$5,000,000.00); provided however, if the Indebtedness is non-recourse to the Borrower, the occurrence of an event constituting a default after the expiration of any applicable grace period without the cure or waiver thereof under the terms of such Indebtedness of the Borrower to any one third party in the amount in excess of Ten Million Dollars (\$10,000,000.00).

9.1.4 Financial Status and Insolvency.

A. Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment for the benefit of creditors; (iv) consent to, or acquiesce in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (v) file a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law; (vi) have a court of competent jurisdiction enter an order, judgment or decree appointing a receiver, liquidator or trustee of Borrower, or of the whole or any substantial part of the property or assets of Borrower, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for sixty (60) days; (vii) have a petition filed against it seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law and such petition shall remain undismissed for sixty (60) days; (viii) have, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assume custody or control of Borrower or of the whole or any substantial part of its property or assets and such custody or control shall remain untermiated or unstayed for sixty (60) days; (ix) have an attachment or execution levied against any substantial portion of the real estate owned by Borrower; or (x) have any materially adverse change in its financial condition since the date of this Revolving Credit Agreement; or

B. any such event as set forth in Section 9.1.3 or Section 9.1.4. A. shall occur with respect to any Guarantor or any general partner of Borrower; or

9.1.5 Breach of Representation or Warranty. Any material representation or warranty made by Borrower or

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Guarantor herein or in any other instrument or document relating to the Facility shall at any time be materially false or misleading, or any warranty shall be materially breached and such is not waived by Lender;

9.1.6 Guarantor Default. A default by Guarantor in the performance of any term or provision of any Loan Document to which Guarantor is a party, or the breach, or any other failure to satisfy any other term, provision, condition or warranty imposed upon the Guarantor in any Loan Document to which Guarantor is a party or by which Guarantor is bound, after the expiration of any applicable grace period without the cure or waiver thereof, such cure period being determined in the same manner as for the Borrower.

9.2 Grace Periods and Notice. As to each of the foregoing events the following provisions relating to grace periods and notice shall apply:

9.2.1 No Notice or Grace Period. There shall be no grace period and no notice provision with respect to the payment of principal at maturity and no grace period and no notice provision with respect to defaults related to the voluntary filing of bankruptcy or reorganization proceedings or an assignment for the benefit of creditors, or with respect to nonmonetary defaults which are not reasonably capable of being cured, or with respect to a breach of a material warranty or representation under Section 6.

9.2.2 Nonpayment of Interest. As to any payment which is made by an overdraft to Borrower's account which overdraft is not repaid within three (3) Business Days or as to the nonpayment of interest, there shall be a ten (10) day grace period without any requirement of notice from Lender.

9.2.3 Other Monetary Defaults. All other monetary defaults shall have a five (5) Business Day grace period following notice from Lender, or, if shorter, a grace period without notice until five (5) Business Days before the last day on which payment is required to be made in order to avoid: (i) the cancellation or lapse of required insurance, or (ii) a tax sale or the imposition of late charges or penalties in respect of taxes or other municipal charges.

9.2.4 Nonmonetary Defaults Capable of Cure. As to nonmonetary defaults which are reasonably capable of being cured or remedied, unless there is a specific shorter or longer grace period provided for in this Revolving Credit Agreement or in another Loan Document, there shall be a thirty (30) day grace period following notice from Lender or, if such default would reasonably require more than thirty (30) days to cure or remedy, such longer period of time not to exceed a total of one hundred and twenty (120)

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days from Lender's notice as may be reasonably required so long as Borrower shall commence reasonable actions to remedy or cure the default within thirty (30) days following such notice and shall diligently prosecute such curative action to completion within such one hundred and twenty (120) day period. However, where there is an emergency situation in which there is danger to person or property such curative action shall be commenced as promptly as possible. As to breaches of warranties and representations (other than those related to financial information or construction documents) there shall be a thirty (30) day grace period following notice from Lender.

Lender: 9.3 Certain Lender Remedies. If an Event of Default shall occur,

9.3.1 Accelerate Debt. May declare the indebtedness evidenced by the Note and the Obligations immediately due and payable (provided that in the case of a voluntary petition in bankruptcy filed by Borrower or (after the expiration of the grace period if any set forth above) an involuntary petition in bankruptcy filed against Borrower, such acceleration shall be automatic). Upon such an acceleration all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate and any applicable Yield Maintenance Prepayment Fee (as defined in the Note); and

9.3.2 Pursue Remedies. May pursue any and all remedies provided for hereunder, or under any one or more of the other Loan Documents.

9.3.3 Written Waivers. If an Event of Default is waived by Lender, in its sole discretion, pursuant to a specific written instrument executed by an authorized officer of Lender, the Event of Default so waived shall be deemed to have never occurred.

#### 10. ADDITIONAL REMEDIES OF LENDER.

10.1 Remedies. Upon the occurrence of an Event of Default, whether or not the indebtedness evidenced by the Note shall be due and payable or Lender shall have instituted any action for the enforcement of the Note, Lender may, in addition to any other remedies which Lender may have hereunder or under the other Loan Documents, and not in limitation thereof, and in Lender's sole and absolute discretion, proceed to protect and enforce its rights and remedies under this Revolving Credit Agreement, the Note or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Revolving Credit Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are

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evidenced, including as permitted by applicable law, the obtaining of the ex parte appointment of a receiver, and, if any amount owed to the Lender shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Lender. No remedy conferred upon the Lender or the holder of the Note in this Revolving Credit Agreement or in any of the other Loan Documents is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

10.2 Reimbursement. Lender shall have the right to collect and seek reimbursement for all sums paid or incurred pursuant to any of the Loan Documents, including Section 7.10, and all payments made or incurred by Lender hereunder shall be paid by Borrower to Lender upon demand with interest at the Default Rate from the date of payment by Lender to the date of payment to Lender.

10.3 Power of Attorney. For the purpose of exercising the rights granted by this Section 10.3, as well as any and all other rights and remedies of Lender, Borrower hereby irrevocably constitutes and appoints Lender (or any agent designated by Lender) its true and lawful attorney-in-fact, upon and following any Event of Default, to execute, acknowledge and deliver any instruments and to do and perform any acts permitted hereunder or by law in the name and on behalf of Borrower.

#### 11. GENERAL PROVISIONS.

11.1 Notices. Any notice or other communication (other than routine reporting as required under the Loan Documents) in connection with this Revolving Credit Agreement, the Note, or any of the other Loan Documents, shall be in writing, and (i) deposited in the United States Mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service such as Federal Express, or (iii) sent by facsimile transmission, if a FAX Number is designated below, provided a copy is also sent by first-class mail addressed:

If to Borrower:

Tanger Properties Limited Partnership  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

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Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

If to Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02108  
FAX Number: (617) 346-3220  
Attention: Commercial Real Estate Loan

with copies by regular mail or such hand delivery or facsimile transmission to:

Riemer & Braunstein  
Three Center Plaza  
Boston, Massachusetts 02108  
FAX Number: (617) 723-6831  
Attention: Steven J. Weinstein, Esquire

If to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

Any such addressee may change its address for such notices to such other address in the United States as such addressee shall have specified by written notice given as set forth above. All periods of notice shall be measured from the deemed date of delivery.

A notice shall be deemed to have been given, delivered and received for the purposes of all Loan Documents upon the earliest

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of: (i) if sent by such certified or registered mail, on the third Business Day following the date of postmark, or (ii) if hand delivered at the specified address by such courier or over night delivery service, when delivered or tendered for delivery during customary business hours on a Business Day, or (iii) if so mailed, on the date of actual receipt as evidenced by the return receipt, or (iv) if so delivered, upon actual receipt, or (v) if facsimile transmission is a permitted means of giving notice, upon receipt during customary business hours on a Business Day as evidenced by confirmation.

11.2 Limitations on Assignment. Borrower may not assign this Revolving Credit Agreement or the monies due thereunder without the prior written consent of Lender in each instance.

11.3 Further Assurances. Borrower shall upon request from Lender from time to time execute, seal, acknowledge and deliver such further instruments or documents which Lender may reasonably require to better perfect and confirm its rights and remedies hereunder, under the Note and under each of the other Loan Documents,

11.4 Parties Bound. The provisions of this Revolving Credit Agreement and of each of the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except as otherwise prohibited by this Revolving Credit Agreement or any of the other Loan Documents.

This Revolving Credit Agreement is a contract by and between Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against either Lender or Borrower by virtue of any provision hereof.

11.5 Waivers, Extensions and Releases. Lender may at any time and from time to time waive any one or more of the conditions contained herein or in any of the other Loan Documents, but any such waiver, extension or release shall be deemed to be made in pursuance and not in modification hereof, and any such waiver in any instance, or under any particular circumstance, shall not be considered a waiver of such condition in any other instance or any other circumstance.

11.6 Governing Law; Consent to Jurisdiction; Mutual Waiver of Jury Trial.

11.6.1 Substantial Relationship. It is understood and agreed

that all of the Loan Documents were negotiated, executed and delivered in the Commonwealth of Massachusetts the parties agree has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

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11.6.2 Place of Delivery. Borrower agrees to furnish to Lender at the Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

11.6.3 Governing Law. This Revolving Credit Agreement and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

11.6.4 Consent to Jurisdiction. Borrower hereby consents to personal jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

11.6.5 Jury Trial Waiver. BORROWER AND LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS REVOLVING CREDIT AGREEMENT, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO THE TRANSACTIONS CONTEMPLATED HEREBY.

11.7 Survival. All representations, warranties, covenants and agreements of Borrower, or Guarantor, herein or in any other Loan Document, or in any notice, certificate, or other paper delivered by or on behalf of Borrower or Guarantor pursuant hereto are significant and shall be deemed to have been relied upon by Lender notwithstanding any investigation made by Lender or on its behalf and shall survive the delivery of the Loan Documents and the establishment of the Facility and each advance pursuant thereto. No review by Lender, or by its representatives, of any opinion letters, certificates from professionals or other item of any nature shall relieve Borrower or anyone else of any of the obligations, warranties or representations made by or on behalf of Borrower or Guarantor, or any one or more of them, under any one or more of the Loan Documents.

11.8 Cumulative Rights. All of the rights of Lender hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole good faith judgment.

11.9 Claims Against Lender.

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11.9.1 Borrower Must Notify. Lender shall not be in default under this Revolving Credit Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, with reasonable promptness thereafter. Such actual knowledge or actual notice shall refer to what was actually known by, or expressed in a written notification furnished to, any of the persons or officials referred to in Exhibit C as Authorized Representatives.

11.9.2 Remedies. If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Lender has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, Lender's responsibilities shall be limited to: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of a Loan Document, the obligation to grant such consent or give such approval and to pay Borrower's reasonable costs and expenses including, without limitation, reasonable attorneys, fees and disbursements in connection with such court proceedings; and (ii) the case of any such failure to grant such consent or give such approval, or in the case of any other such default by Lender, where it is also so determined that Lender acted in bad faith, or that Lender's default constituted gross

negligence or willful misconduct, the payment of any actual, direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

11.9.3 Limitations. In no event, however, shall Lender be liable to Borrower or to Guarantor or anyone else for other damages such as, but not limited to, indirect, speculative or punitive damages whatever the nature of the breach by Lender of its obligations under this Revolving Credit Agreement or under any of the other Loan Documents. In no event shall Lender be liable to Borrower or to Guarantor or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within the time period specified above.

11.10 Obligations Absolute. Except to the extent prohibited by applicable law which cannot be waived, the Obligations of Borrower and the obligations of the Guarantor under the Loan Documents shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the

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terms of the Loan Documents under all circumstances whatsoever, including, without limitation, the existence of any claim, set off, defense or other right which Borrower or any Guarantor may have at any time against Lender whether in connection with the Facility or any unrelated transaction.

11.11 Table of Contents, Title and Headings. Any Table of Contents, the titles and the headings of sections are not parts of this Revolving Credit Agreement or any other Loan Document and shall not be deemed to affect the meaning or construction of any of their provisions.

11.12 Counterparts. This Revolving Credit Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of such loan agreement is sought.

11.13 Satisfaction of Commitment. The establishment of the Facility being made pursuant to the terms hereof and of the other Loan Documents is being made in satisfaction of Lender's obligations under the Commitment dated as of October 14, 1997. The terms, provisions and conditions of this Revolving Credit Agreement and the other Loan Documents supersede the provisions of the Commitment.

11.14 Right to Sell. Lender shall have the unrestricted right at any time or from time to time, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), subject to the Borrower's prior written approval as to the identity and number, such approval not to be unreasonably withheld, and Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Revolving Credit Agreement and to any other documents, instruments and agreements executed in connection herewith (provided such amendments do not increase Borrower's obligations or reduce or restrict Borrower's rights) as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the Note held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and

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written notice from the Lender to the Borrower of the effectiveness of such assignment, such Assignee shall be a party to this Revolving Credit Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligations hereunder and thereunder to a corresponding extent. Borrower shall be responsible for all fees and expenses incurred by Lender or any Assignee relating to an increase in the availability under the Facility and/or extension of the Maturity Date (as defined in the Note) of the Facility. Notwithstanding the rights and obligations granted to the Assignee, Lender shall act as sole agent for the Assignee's in connection with the Facility and Borrower shall continue to deal solely and

directly with Lender in connection with Lender's and Assignee's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

11.15 Right to Participate. Lender shall have the unrestricted right at any time and from time to time, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in Lender's obligation to lend hereunder and/or any or all of the loans held by Lender hereunder. In the event of any such grant by Lender of a participating interest to a Participant, whether or not upon notice to Borrower, Lender shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

Lender may furnish any information concerning Borrower in its possession from time to time to prospective Assignees and Participants, provided that Lender shall require any such prospective Assignee or Participant to agree in writing to maintain the confidentiality of such information.

11.16 Time Of the Essence. Time is of the essence of each provision of this Revolving Credit Agreement and each other Loan Document.

11.17 No Oral Change. This Revolving Credit Agreement and each of the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought (except no such writing shall be required for any party which, pursuant to a specific provision of any Loan Document, is required to be bound by changes without such party's assent). In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealings or the like be effective to amend, terminate,

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extend or otherwise modify this Revolving Credit Agreement or any of the other Loan Documents.

11.18 Monthly Statements. While Lender may issue invoices or other statements on a monthly or periodic basis (a "Statement"), it is expressly acknowledged and agreed that: (i) the failure of Lender to issue any Statement on one or more occasions shall not affect Borrower's obligations to make payments under the Loan Documents as and when due; (ii) the inaccuracy of any Statement shall not be binding upon Lender and so Borrower shall always remain obligated to pay the full amount(s) required under the Loan Documents as and when due notwithstanding any provision to the contrary contained in any Statement; (iii) all Statements are issued for information purposes only and shall never constitute any type of offer, acceptance, modification, or waiver of the Loan Documents or any of Lender's rights or remedies thereunder; and (iv) in no event shall any Statement serve as the basis for, or a component of, any course of dealing, course of conduct, or trade practice which would modify, alter, or otherwise affect the express written terms of the Loan Documents.

11.19 Exculpation. The Loan Documents have been negotiated, executed and delivered on behalf of the Borrower by its Authorized Representatives or by the Guarantor, in its capacity as the Borrower's sole general partner, or officers thereof in their representative capacity and not individually, and bind only the Borrower and Guarantor and no employee, agent, officer, partner or shareholder ("Exculpated Party") of the Borrower or Guarantor shall be bound or held to any personal liability in connection with the Obligations of the Borrower or Guarantor thereunder, and any person or entity dealing with the Borrower in connection therewith shall look solely to the Borrower and the Guarantor for the payment of any claim or for the performance of any obligation thereunder.

IN WITNESS WHEREOF this Revolving Credit Agreement has been duly executed and delivered as a sealed instrument.

BORROWER:

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: /s/ Stanley K. Tanger

-----  
Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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LENDER:

FLEET NATIONAL BANK

By: /s/ Aron D. Levine

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Name: Aron D. Levine

Title: Vice-President

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EXHIBITS:

Exhibit A	-	Definitions
Exhibit B	-	Ownership Interests and Taxpayer Identification Numbers
Exhibit C	-	Authorized Representatives
Exhibit D	-	Certificate of Compliance

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EXHIBIT A TO REVOLVING CREDIT AGREEMENT

DEFINITIONS

Account as defined in Section 7.8.

Adjusted Unencumbered Asset Value shall mean, as of the Calculation Date, the sum of (A) plus (B):

"(A)" shall mean the sum of:

(i) 100% of Borrower's unrestricted operating cash and equivalents; plus

(ii) cost value of Projects Under Development which are included in Unencumbered Assets; plus

(iii) cost value of New Developments which are included in Unencumbered Assets.

"(B)" shall mean

(i) (x) an amount equal to Unencumbered EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the Unencumbered EBITDA of any dispositions during the subject fiscal quarter of Unencumbered Assets owned by the Borrower and (2) to deduct Unencumbered EBITDA for any Projects Under Development and New Developments which are included in Unencumbered Assets, each of which adjustments must be approved by the Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned the gross leasable area of Unencumbered Assets (excluding Projects Under Development and New Developments which are included in Unencumbered Assets); divided by

(ii) 0.10.

Advance(s) as defined in Section 2.1.

Authorized Representatives as defined in Section 4 and listed on Exhibit C.

Borrower as defined in the Preamble.

Business Day shall mean: any day of the year on which offices of Fleet National Bank are not required or authorized by law to be closed for business in Boston, Massachusetts. If any day on which a payment is due is not a Business Day, then the payment

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shall be due on the next day following which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no

"February 30th"), the payment shall be due on the last Business Day of the calendar month.

Calculation Date shall mean the last day of each calendar quarter commencing with December 31, 1997.

Certificate of Compliance as defined in Section 7.2.2.

Debt Service shall mean, as of the Calculation Date, the sum of all principal and interest payments due on all loan obligations of the Borrower for such period, exclusive of balloon maturity payments.

Dollars shall mean lawful money of the United States.

EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied and excluding earnings attributable to any project in which the Borrower owns a minority interest and any extraordinary gains or losses.

Environmental Legal Requirements shall mean all applicable past (which have current effect), present or future (which have effect during the term of the Facility) federal, state, county and local laws, rules, regulations, codes and ordinances, or any judicial or administrative interpretations thereof, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, without limitation, all orders, decrees, judgments, rulings, requirements, directives or notices of violation, imposed through any public or private enforcement proceedings, that create one or more duties, obligations, responsibilities or liabilities on the Borrower with respect to the existence, use, storage, treatment, discharge, release, containment, transportation, generation manufacture, refinement, handling, production, disposal or management of any Hazardous Materials, or otherwise regulating or providing for the protection of the environment, and further including, without limitation the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. ss.9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. ss.1801 et seq.), the Public Health Service Act (42 U.S.C. ss.300(f) et seq.), the Pollution Prevention Act (42 U.S.C. ss.13101 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 5136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. ss.6901 et seq.), the Federal Clean Water Act (33 U.S.C. ss.1251 et seq.), the Federal Clean Air Act (42 U.S.C. ss.7401 et seq.).

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ERISA and ERISA Plan each as defined in Section 6.9.

Event of Default as defined in Section 9.

Facility is defined in Section 1.3.

Fair Market Minimum Net Worth shall mean, as of the Calculation Date, the Borrower's Total Adjusted Asset Value less Total Liabilities.

Funds From Operations shall be as currently defined by NAREIT.

GAAP shall mean generally accepted accounting principles.

Guaranty shall mean the unconditional, continuing guaranty from Guarantor guaranteeing payment of the Facility, and performance of all Borrower's Obligations under the Loan Documents.

Guarantor as defined in Section 1.4.

Hazardous Materials shall mean and include asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls, radioactive substances, other carcinogens, oil and other petroleum products, pollutants or contaminants that could be a detriment to the environment, and any other hazardous or toxic materials, wastes, or substances in quantities which are defined, determined or identified as such in any Environmental Legal Requirement.

Indebtedness shall mean all obligations, contingent and otherwise in respect of (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all liabilities under capitalized leases; and (d) all guarantees, endorsements and other contingent obligations whether direct or indirect in respect of indebtedness of others, including the obligations to reimburse the issuer in respect of any letters of credit.

Indemnified Party as defined in Section 7.11.

Legal Requirements shall mean all applicable federal, state, county and local laws, rules, regulations, codes and ordinances, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, but not limited to, those applicable to zoning, subdivision, building, health, fire, safety, sanitation, the protection of the handicapped, and environmental matters and shall also include all orders and directives of any court, governmental agency or authority having or claiming jurisdiction as to the Borrower with respect thereto.

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Lender as defined in the Preamble.

Leverage shall mean, as of the Calculation Date, the ratio of Total Liabilities to Total Adjusted Asset Value.

Liabilities shall mean all Indebtedness and all other liabilities that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto.

Licenses and Permits shall mean all licenses, permits, authorizations and agreements issued by or agreed to by any governmental authority, and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as may be required pursuant to Legal Requirements which may be applicable to the Portfolio Properties.

Limited Partnership Agreement shall mean that certain limited partnership agreement of the Borrower dated as of December 16, 1993.

Loan Documents as defined in Section 3.

Maturity shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

Maturity Date as defined in the Note.

Maximum Commitment Amount as defined in Section 2.3.

NAREIT means the National Association of Real Estate Investment Trusts.

New Development shall mean, as of the Calculation Date, (x) any Project which was a Project Under Development during the prior quarterly reporting period and as to which conditions (i), (ii) and (iii) as provided for in the definition of Projects Under Development have been satisfied, and (y) any project acquired during the subject fiscal quarter, such project(s) being a New Development only for the subject quarterly reporting period.

Obligations as defined in Section 3.

Projects Under Development shall mean, as of the Calculation Date, any project under development by the Borrower (i) classified as construction in progress on the Borrower's quarterly financial statements; or (ii) as to which a certificate of occupancy has not been issued; or (iii) as to which a minimum of 70% of total gross leasable area has not been leased and occupied by paying tenants.

Prime Rate as defined in the Note.

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Projects shall mean any and all properties of the Borrower having buildings with a gross leaseable area in excess of 50,000 sq. ft.

Revolving Credit Agreement as defined in the Preamble.

Secured Indebtedness shall mean any Indebtedness of the Borrower secured by any encumbrance or by any security interest, lien, privilege, or charge on any real or personal property.

Statement as defined in Section 11.18.

Termination Date shall mean the earlier of (x) the occurrence of an Event of Default, or (y) the payment in full of Advances outstanding under the Facility and the termination of the Borrower's right to request Advances under the Facility, or (z) the Maturity Date.

Total Adjusted Asset Value shall mean, as of the Calculation Date, (A) plus (B) in which:

"(A)" shall mean the sum of:

(i) unrestricted cash and cash equivalents (excluding any tenant deposits); plus

(ii) cost value of Projects Under Development; plus

(iii) cost value of New Developments.

"(B)" shall mean:

(i) (x) an amount equal to EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the EBITDA of any dispositions during the subject fiscal quarter of projects owned by the Borrower and (2) to deduct EBITDA for any Projects Under Development or New Developments, each of which adjustments must be approved by Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned gross leasable area (excluding Projects Under Development and New Developments); divided by

(ii) 0.10.

Total Liabilities shall mean, as of the Calculation Date, the sum, after eliminating intercompany items, of all Liabilities (including, without limitation, deferred taxes) other than those liabilities relating to projects in which the Borrower owns a

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minority interest, of the Borrower determined in accordance with GAAP.

Total Outstanding Unsecured Indebtedness shall mean, as of the Calculation Date, all unsecured Indebtedness of the Borrower outstanding as of the end of such fiscal quarter, other than trade indebtedness incurred in the ordinary course of business.

Total Variable Rate Indebtedness shall mean, as of the Calculation Date, all Indebtedness as to which interest accrues or is payable at a variable interest rate, exclusive of any such Indebtedness as to which the Borrower has obtained a fixed rate interest hedge.

Unencumbered Assets shall mean real property that is wholly-owned by the Borrower or by a partnership in which the Borrower is the sole general partner that is not subject to a mortgage lien or to any agreement with any other lender that prohibits the creation of a lien on such property.

Unencumbered EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization on all Unencumbered Assets, all determined in accordance with GAAP consistently applied and excluding any extraordinary gains or losses with respect to Unencumbered Assets.

Yield Maintenance Prepayment Fee as defined in the Note.

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#### EXHIBIT B TO REVOLVING CREDIT AGREEMENT

##### OWNERSHIP INTERESTS AND TAXPAYER IDENTIFICATION NUMBERS

Borrower: Tanger Properties Limited Partnership  
Tax ID 56-1822494

Owners:

General Partners: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Limited Partner: Tanger Family Limited Partnership

Guarantor: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Owners: New York Stock Exchange Traded Public Company

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## EXHIBIT C TO REVOLVING CREDIT AGREEMENT

## AUTHORIZED REPRESENTATIVES

As of the date hereof:

Stanley K. Tanger  
 Frank C. Marchisello, Jr.  
 Rochelle G. Simpson  
 Virginia R. Summerell

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## EXHIBIT D

## CERTIFICATE OF COMPLIANCE

Date: \_\_\_\_\_

To: Fleet National Bank  
 75 State Street  
 Boston, Massachusetts

Re: Certificate of Compliance  
 Calculation Date: \_\_\_\_\_

Pursuant to Section 7.2.2 of the Revolving Credit Agreement (the "Revolving Credit Agreement") dated as of December 18, 1997 by and between Tanger Properties Limited Partnership (the "Borrower") and Fleet National Bank (the "Bank"), the undersigned hereby certifies: (i) to the best of the undersigned's knowledge, the information provided on the accompanying Financial Statements are true and accurate in all material respects; (ii) the Borrower is in compliance with the Financial Covenants contained in the Revolving Credit Agreement to the extent set forth below; (iii) to the best of the undersigned's knowledge, an Event of Default has not occurred and is continuing under the Revolving Credit Agreement.

All capitalized terms not otherwise defined herein shall have the same meaning as defined in the Revolving Credit Agreement, as applicable.

I. COVENANT COMPLIANCE. All calculations to support the information set forth in the "Actual" column below are attached hereto and are based upon the accompanying Financial Statements.

COVENANT	REQUIREMENT	ACTUAL
-----		
Fair Market Minimum Net Worth	\$175,000,000.00	
Total Liabilities to Total Adjusted Asset Value	Not to exceed 60%	
Secured Indebtedness to Total Adjusted Asset Value.	Not to exceed 40%	
EBITDA to Debt Service	Equal to or in excess of 2.0:1.0	

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Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value	Not to exceed 60%	
Unencumbered EBITDA TO Total Outstanding Unsecured Indebtedness	Equal to or in excess of 2.25: 1.0	
Distributions	Will not exceed Funds From	

Operations

Projects Under Development to Total Adjusted Asset Value Not to exceed 25%

Undeveloped Land Holdings to Total Adjusted Asset Value Not to exceed 15%

Total Variable Rate Indebtedness to Total Adjusted Asset Value Not to exceed 20%

II. LEVERAGE CALCULATION

1. Total Liabilities.....
2. Total Adjusted Asset Value.....
3. Total Liabilities/Total Asset Value.....

The undersigned certifies that the information provided herein is true and accurate, to the best of its knowledge.

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Financial Officer

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PROMISSORY NOTE

25,000,000.00

As of December 18, 1997

1. Promise To Pay.

FOR VALUE RECEIVED, TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") promises to pay to the order of FLEET NATIONAL BANK, a national banking association, having an address at 75 State Street, Boston, Massachusetts 02109 ("Lender"), the principal sum of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS, or so much thereof as may be advanced, with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, on each advance from the date of its disbursement until such principal sum shall be fully paid. Interest shall be payable in installments as set forth in Section 4 below. The total principal sum, or the amount thereof outstanding, together with any accrued but unpaid interest, shall be due and payable in full on January 15, 2000 ("Maturity Date"), which term is further defined in, and is subject to acceleration in accordance with, the Revolving Credit Agreement pursuant to which this Note has been issued.

2. Revolving Credit Agreement.

This Note is issued pursuant to the terms, provisions and conditions of an agreement captioned "Revolving Credit Agreement" dated as of even date between Borrower and Lender and evidences the Facility and Advances made pursuant thereto. Capitalized terms used herein which are not otherwise specifically defined shall have the same meaning herein as in the Revolving Credit Agreement.

3. Interest Rates.

3.1. Borrower's Options. Principal amounts outstanding under the Facility shall bear interest at the following rates, at Borrower's selection, subject to the conditions and limitations provided for in this Note: (i) Variable Rate or (ii) Eurodollar Rate.

3.1.1 Selection To Be Made. Borrower shall select, and thereafter may change the selection of, the applicable interest rate, from the alternatives otherwise provided for in this Note, by giving Lender a Notice of Rate

Selection: (i) prior to each Advance, or (ii) prior to the end of each Interest Period applicable to a Eurodollar Advance, or (iii) on any Business Day on which Borrower desires to convert an outstanding Variable Rate Advance to a Eurodollar Advance.

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3.1.2 Notice. A "Notice of Rate Selection" shall be a written notice, given by cable, tested telex, telecopier (with authorized signature), or by telephone if immediately confirmed by such a written notice, from an Authorized Representative of Borrower which: (i) is irrevocable; (ii) is received by Lender not later than 12:00 o'clock Noon Eastern Time: (a) if a Eurodollar Rate is selected, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply, (b) if a Variable Rate is selected, on the first day of the Interest Period to which it applies; and (iii) as to each selected interest rate option, sets forth the aggregate principal amount(s) to which such interest rate option(s) shall apply and the Interest Period(s) applicable to each Eurodollar Advance.

3.1.3 If No Notice. If Borrower fails to select an interest rate option in accordance with the foregoing prior to an Advance, or prior to the last day of the applicable Interest Period of an outstanding Eurodollar Advance, or if a Eurodollar Advance is not available, any new Advance made shall be deemed to be a Variable Rate Advance, and on the last day of the applicable Interest Period all outstanding principal amounts shall be deemed converted to a Variable Rate Advance.

3.2. Telephonic Notice. Without any way limiting Borrower's obligation to confirm in writing any telephonic notice, Lender may act without liability upon the basis of telephonic notice believed by Lender in good faith to be from an Authorized Representative of the Borrower prior to receipt of written confirmation. In each case Borrower hereby waives the right to dispute Lender's record of the terms of such telephonic Notice of Rate Selection.

3.3. Limits On Options, Selections Per Month. Each Eurodollar Advance shall be in a minimum amount of \$1,000,000 . At no time shall there be outstanding a total of more than five (5) Eurodollar Advances combined at any time. If Borrower shall make more than three (3) Eurodollar Rate selections in any thirty (30) day period, excluding conversions of outstanding advances made at the end of an applicable Interest Period of any previously outstanding Eurodollar Advance, Lender may impose and Borrower shall pay a reasonable processing fee for each such additional selection.

#### 4. Payment of Interest and Principal.

4.1. Payment and Calculation of Interest. All interest shall be: (a) payable in arrears commencing January 15, 1998 and on the same day of each month thereafter until the principal together with all interest and other charges payable with respect to the Facility shall be fully paid; and (b) calculated on the basis of a 360 day year and the actual number of days elapsed. Each change in the Prime Rate shall simultaneously change the Variable Rate payable under this Note. Interest at the Eurodollar Rate shall be computed

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from and including the first day of the applicable Interest Period to, but excluding, the last day thereof.

4.2. Principal. The entire principal balance shall be due and payable in full upon Maturity.

4.3. Prepayment. The Facility or any portion thereof may be prepaid in full or in part at any time upon three (3) days, prior written notice to the holder of this Note without premium or penalty with respect to Variable Rate Advances and, with respect to Eurodollar Advances subject to a Yield-Maintenance Fee. Any partial prepayment of principal shall first be applied to any installment of principal then due and then be applied to the principal due in the reverse order of maturity, and no such partial prepayment shall relieve Borrower of the obligation to pay each subsequent installment of principal when due.

4.4. Maturity. At maturity all accrued interest, principal and other charges due with respect to the Facility shall be due and payable in full and the principal balance and such other charges, but not unpaid interest, shall continue to bear interest at the Default Rate until so paid.

4.5. Method of Payment; Date of Credit. All payments of interest, principal and fees shall be made in lawful money of the United States in immediately available funds: (a) by direct charge to an account of Borrower

maintained with Lender (or the then holder of this Note), or (b) by wire transfer to Lender or (c) to such other bank or address as the holder of this Note may designate in a written notice to Borrower. Payments shall be credited on the Business Day on which immediately available funds are received prior to one o'clock P.M. Eastern Time; payments received after one o'clock P.M. Eastern Time shall be credited to the Facility on the next Business Day. Payments which are by check, which Lender may at its option accept or reject, or which are not in the form of immediately available funds shall not be credited to the Facility until such funds become immediately available to Lender, and, with respect to payments by check, such credit shall be provisional until the item is finally paid by the payor bank.

4.6. Billings. Lender may submit monthly billings reflecting payments due; however, any changes in the interest rate which occur between the date of billing and the due date may be reflected in the billing for a subsequent month. Neither the failure of Lender to submit a billing nor any error in any such billing shall excuse Borrower from the obligation to make full payment of all Borrower's payment obligations when due, however, if Borrower makes timely payment as specified in any such billing, the Borrower shall not be in default under the terms of this Note or any of the other Loan Documents due to the failure to pay any additional amount owed as reflected in any corrected billing (the "Additional Payment Amount"), unless the Borrower fails to pay the Additional Payment

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Amount within the grace period provided for in the Revolving Credit Agreement from the date on which the Borrower obtains knowledge of such error.

4.7. Default Rate. Lender shall have the option of imposing, and Borrower shall pay upon billing therefor, an interest rate which is four percent (4%) per annum above the interest rate otherwise payable ("Default Rate"): (a) while any monetary Default exists and is continuing, during that period between the due date and the date of payment; (b) following any Event of Default, unless and until the Event of Default is waived by Lender; and (c) after Maturity. Borrower's right to select pricing options shall cease upon the occurrence of a monetary Default or following any Event of Default.

4.8. Late Charges. Borrower shall pay, upon billing there for, a "Late Charge" equal to three percent (3%) of the amount of any payment of principal, other than principal due at Maturity, interest, or both, which is not paid within ten (10) days of the due date thereof. Late charges are: (a) payable in addition to, and not in limitation of, the Default Rate, (b) intended to compensate Lender for administrative and processing costs incident to late payments, (c) are not interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

4.9. Calculation of Yield Maintenance.

(i) The Yield Maintenance Fee due in accordance with Section 4.3 shall be calculated separately for each Eurodollar Advance prepaid prior to the expiration of the applicable Interest Period in accordance with the following:

(A) if the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is greater than the applicable Eurodollar Rate, there shall be no Yield Maintenance Fee payable for such installment or balance.

(B) If the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is less than the applicable Eurodollar Rate, the Yield Maintenance Fee shall equal the aggregate of all Present Values, computed separately for each such Eurodollar Advance having a separate Interest Period, of the product of:

1. the amount of each Eurodollar Advance prepaid, multiplied by
2. the amount by which the Eurodollar Rate, expressed as a percentage, exceeds the Treasury Rate, expressed as a percentage, computed separately for each

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Eurodollar Advance having a different Interest Period, and

3. which product in turn shall be multiplied by a fraction, computed separately for each Eurodollar Advance having a different Interest Period, the numerator of which is



the number of days from the date of prepayment to the last day of the applicable Interest Period and the denominator of which is 360.

(ii) The Yield Maintenance Fee shall be payable in respect of all prepayments of Eurodollar Advances whether voluntary or involuntary including, without limitation, prepayments made upon acceleration of the Facility.

(iii) once written notice of intention to prepay is given, the Facility, or the applicable portion thereof, shall become due and payable in full on the date specified in the notice of prepayment and the failure to so prepay on such date, together with any applicable Yield Maintenance Fees computed in accordance with Section 4.9(i), above, shall constitute an Event of Default.

## 5. Certain Definitions and Provisions Relating To Interest Rate.

5.1. Adjusted LIBOR Rate. The term "Adjusted LIBOR Rate" means for each Interest Period the rate per annum obtained by dividing (i) the LIBOR Rate for such Interest Period, by (ii) a percentage equal to one hundred percent (100%) minus the maximum reserve percentage applicable during such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirements (including, without limitation, any basic, supplemental, marginal and emergency reserve requirements) for Lender (or of any subsequent holder of this Note which is subject to such reserve requirements, provided such reserve percentage for such subsequent holder is not greater than the reserve percentage of Fleet National Bank) in respect of liabilities or assets consisting of or including Eurocurrency liabilities. (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) having a term equal to the Interest Period.

5.2. Applicable Increment. The term "Applicable Increment" means the additional amount of basis points added to the Adjusted LIBOR Rate for purposes of determining the Eurodollar Rate for any applicable Interest Period. The "Applicable Increment" shall be determined for each Interest Period on the first day of such Interest Period as follows:

(A) If the Leverage is greater than or equal to fifty (50%) percent, the Applicable Increment shall be one hundred and seventy five (175) basis points;

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(B) If the Leverage is less than fifty (50%) percent, but greater than forty (40%) percent, the Applicable Increment shall be one hundred and sixty (160) basis points; and

(C) If the Leverage is less than or equal to forty (40%) percent, the Applicable Increment shall be one hundred and fifty (150) basis points.

Leverage shall be determined as of the last Calculation Date as to which the Lender (i) has received a Certificate of Compliance and (ii) has provided Borrower with the Interest Rate Notice.

5.3. Banking Day. The term "Banking Day" means a day on which banks are not required or authorized by law to close in the city in which Lender's principal office is situated.

5.4. Business Day; Same Calendar Month. For purposes of this Note, the term "Business Day" means any Banking Day and, if the applicable Business Day relates to the selection or determination of any Eurodollar Rate, any London Banking Day. If any day on which a payment is due is not a Business Day, then the payment shall be due on the next day following which is a Business Day, unless, with respect to Eurodollar Advances, the effect would be to make the payment due in the next calendar month, in which event such payment shall be due on the next preceding day which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no "February 30th"), the payment shall be due on the last Business Day of the calendar month.

5.5. Dollars. The term "Dollars" or "\$" means lawful money of the United States.

5.6. Eurodollar Advance. The term "Eurodollar Advance" means any principal outstanding under this Note which pursuant to this Note bears interest at the Eurodollar Rate.

5.7. Eurodollar Rate. The term "Eurodollar Rate" means the per annum rate equal to the Adjusted LIBOR Rate plus an the Applicable Increment.

#### 5.8. Interest Period.

(A) The term "Interest Period" means with respect to each Eurodollar Advance: a period of one (1), two (2), three (3), four (4), or six (6) consecutive months, subject to availability, as selected, or deemed selected, by Borrower at least two (2) Business Days prior to an Advance, or if an Advance is already outstanding, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply. Each such Interest Period shall commence on the Business Day so selected, or

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deemed selected, by Borrower and shall end on the numerically corresponding day in the first, second, third, fourth, or sixth month thereafter, as applicable. Provided, however: (i) if there is no such numerically corresponding day, such Interest Period shall end on the last Business Day of the applicable month, (ii) if the last day of such an Interest Period would otherwise occur on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; but (iii) if such extension would otherwise cause such last day to occur in a new calendar month, then such last day shall occur on the next preceding Business Day.

(B) The term "Interest Period" shall mean with respect to each Variable Rate Advance consecutive periods of one (1) day each.

(C) No Interest Period may be selected which would end beyond the then Maturity Date of the Facility. If the last day of an Interest Period would otherwise occur on a day which is not a Business Day, such last day shall be extended to the next succeeding Business Day, except as provided above in clause (A) relative to a Eurodollar Advance.

5.9. Interest Rate Notice. The term "Interest Rate Notice" shall mean written notice delivered by the Lender to the Borrower after receipt of the Certificate of Compliance setting forth the Applicable Increment for Advances made thereafter and until delivery of the next Interest Rate Notice; provided, however, if the Lender does not provide the Borrower within five (5) Business Days of the receipt of any such Certificate of Compliance either the Interest Rate Notice or a written objection to the calculation of Leverage as provided therein, the Applicable Increment shall be determined based upon the calculations included in such Certificate of Compliance.

5.10. LIBOR Rate. The term "LIBOR Rate" means, with respect to each Interest Period, the rate of interest, expressed as an annual rate, equal to the simple average, rounded up to the nearest 1/16 of 1%, of the rates shown on the display referred to as the "Telerate Page 3750" (or any display substituted therefor) of the Dow Jones Telerate Service as being the respective rates at which deposits in Dollars would be offered by the principal London offices of each of the banks named thereon to major banks in the London interbank market at approximately 11:00 A.M. (London time) on the second London Banking Day before the first day of such Interest Period for a period substantially coextensive with such Interest Period.

5.11. London Banking Day. The term "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

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5.12. Maturity. The term "Maturity" shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

5.13. Maturity Date. The term "Maturity Date" shall mean January 15, 2000.

5.14. Present Value. The term "Present Value" means the value at the last day of the applicable Interest Period discounted to the date of prepayment using the Treasury Rate.

5.15. Prime Rate. The term "Prime Rate" means the per annum rate of interest so designated from time to time by Lender as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

5.16. Treasury Rate. The term "Treasury Rate, means, as of the date of any calculation or determination, the latest published rate for United States Treasury Notes or Bills (but the rate on Bills issued on a discounted basis

shall be converted to a bond equivalent) as published weekly in the Federal Reserve Statistical Release H.15(519) of Selected Interest Rates in an amount which approximates (as determined by Lender) the amount prepaid and with a maturity closest to the last day of the applicable Interest Period as to the Eurodollar Advance which is prepaid in whole or in part.

5.17. Variable Rate. The term "Variable Rate" means a per annum rate equal at all times to the Prime Rate less twenty five (25) basis points, with changes therein to be effective simultaneously with any change in the Prime Rate.

5.18. Variable Rate Advance. The term "Variable Rate Advance" means any principal amount outstanding under this Note which pursuant to this Note bears interest at the Variable Rate.

6. Additional Provisions Related to Interest Rate Selection.

6.1. Increased Costs. If, due to any one or more of: (i) the introduction of any applicable law or regulation or any change (other than any change by way of imposition or increase of reserve requirements already referred to in the definition of Eurodollar Rate) in the interpretation or application by any authority charged with the interpretation or application thereof of any law or regulation; or (ii) the compliance with any guideline or request from any governmental central bank or other governmental authority (whether or not having the force of law), there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Eurodollar Advances, including without limitation changes which affect or would affect the amount of capital or reserves required or expected to be maintained by

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Lender, with respect to all or any portion of the Facility, or any corporation controlling Lender, on account thereof, then Borrower from time to time shall, upon written demand by Lender, either (x) pay Lender additional amounts sufficient to indemnify Lender against the increased cost incurred, subject to the delivery of a certificate as to the amount of the increased cost and the reason therefor being submitted to Borrower by Lender, which in the absence of manifest error, shall be conclusive and binding for all purposes, or (y) convert the Eurodollar Advances to Variable Rate Advances (and pay to the Lender any applicable Yield Maintenance Fee, as provided herein).

6.2. Illegality. Notwithstanding any other provision of this Note, if the introduction of or change in or in the interpretation of any law, treaty, statute, regulation or interpretation thereof shall make it unlawful, or any central bank or government authority shall assert by directive, guideline or otherwise, that it is unlawful, for Lender to make or maintain Eurodollar Advances or to continue to fund or maintain Eurodollar Advances then, on written notice thereof and demand by Lender to Borrower, (a) the obligation of Lender to make Eurodollar Advances and to convert or continue any Advances as Eurodollar Advances shall terminate and (b) Borrower shall convert all principal outstanding under this Note into Variable Rate Advances.

6.3. Additional Eurodollar Conditions. The selection by Borrower of a Eurodollar Rate and the maintenance of Advances at such rate shall be subject to the following additional terms and conditions:

(i) Availability. If, before or after Borrower has selected to take or maintain a Eurodollar Advance, Lender notifies Borrower that:

(a) dollar deposits in the amount and for the maturity requested are not available to Lender in the London interbank market at the rate specified in the definition of LIBOR Rate set forth above, or

(b) reasonable means do not exist for Lender to determine the Eurodollar Rate for the amounts and maturity requested,

then the principal which would have been a Eurodollar Advance shall be a Variable Rate Advance.

(ii) Payments Net of Taxes. All payments and prepayments of principal and interest under this Note shall be made net of any taxes and costs the collection or payment of which is imposed on Borrower resulting from having principal outstanding at or computed with reference, to a Eurodollar Rate. Without limiting the generality of the preceding

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obligation, illustrations of such taxes and costs are taxes, or the withholding of amounts for taxes, of any nature whatsoever including income, excise, interest equalization taxes (other than United States or state income taxes) as well as all levies, imposts, duties or fees whether now in existence or as the result of a change in or promulgation of any treaty, statute, regulation, or interpretation thereof or any directive guideline or otherwise by a central bank or fiscal authority (whether or not having the force of law) or a change in the basis of, or the time of payment of, such taxes and other amounts resulting therefrom.

6.4. Variable Rate Advances. Each Variable Rate Advance shall continue as a Variable Rate Advance until Maturity, unless sooner converted, in whole or in part, to a Eurodollar Advance, subject to the limitations and conditions set forth in this Note.

6.5. Conversion of Other Advances. At the end of each applicable Interest Period, the applicable Eurodollar Advance shall be converted to a Variable Rate Advance unless Borrower selects another option in accordance with the provisions of this Note.

7. Acceleration; Event of Default.

At the option of the holder, this Note and the indebtedness evidenced hereby shall become immediately due and payable without further notice or demand, and notwithstanding any prior waiver of any breach or default, or other indulgence, upon the occurrence at any time of any one or more of the following events, each of which shall be an "Event of Default" hereunder and under the Revolving Credit Agreement and each other Loan Document: (i) an Event of Default as defined in the Revolving Credit Agreement as the same may from time to time hereafter be amended; or (ii) an event which pursuant to any express provision of the Revolving Credit Agreement, or of any other Loan Document, gives Lender the right to accelerate the Facility.

8. Certain Waivers, Consents and Agreements.

The Borrower and the Guarantor hereby agree and acknowledge that: (a) the Borrower (i) waives presentment, demand, protest, suretyship defenses and defenses in the nature thereof; (ii) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (iii) agrees to any substitution, exchange, release, surrender or other delivery of any security or collateral now or hereafter held hereunder or in connection with the Revolving Credit Agreement, or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (iv)

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agrees that if any security or collateral given to secure this Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Revolving Credit Agreement, or any of the other Loan Documents, shall be found to be unenforceable in full or to any extent, or if Lender or any other party shall fail to duly perfect or protect such collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (v) subject to the terms of the Revolving Credit Agreement, agrees to pay all costs and expenses incurred by Lender or any other holder of this Note in connection with the indebtedness evidenced hereby, including, without limitation, all attorneys' fees and costs, for the implementation of the Facility, the collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder or under the other Loan Documents, whether or not suit is instituted; and (vi) consents to all of the terms and conditions contained in this Note, and all other instruments now or hereafter executed evidencing or governing all or any portion of the security or collateral for this Note and for such Revolving Credit Agreement, or any one or more of the other Loan Documents, and (b) the Guarantor has waived certain rights as provided in a certain Guaranty Agreement dated as of the date hereof executed and delivered by the Guarantor to the Lender.

9. Delay Not A Bar.

No delay or omission on the part of the holder in exercising any right hereunder or any right under any instrument or agreement now or hereafter executed in connection herewith, or any agreement or instrument which is given or may be given to secure the indebtedness evidenced hereby or by the Revolving Credit Agreement, or any other agreement now or hereafter executed in connection herewith or therewith shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or of any other right on

any future occasion.

10. Partial Invalidity.

The invalidity or unenforceability of any provision hereof, of the Revolving Credit Agreement, of the other Loan Documents, or of any other instrument, agreement or document now or hereafter executed in connection with the establishment of the Facility made pursuant hereto and thereto shall not impair or vitiate any other provision of any of such instruments, agreements and documents, all of which provisions shall be enforceable to the fullest extent now or hereafter permitted by law.

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11. Compliance With Usury Laws.

All agreements between Borrower, the Guarantor and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof, provided, however, that in the event there is a change in the law which results in a lesser or higher maximum permissible rate of interest, then this Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Note to contract in strict compliance with the laws of the Commonwealth of Massachusetts from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity, and if under or from any circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower, the Guarantor and Lender.

12. Use of Proceeds.

All proceeds of the Facility shall be used solely for the purposes more particularly provided for and limited by the Revolving Credit Agreement.

13. Notices.

Any notices given with respect to this Note shall be given in the manner provided for in the Revolving Credit Agreement.

14. Governing Law and Consent to Jurisdiction.

14.1. Substantial Relationship. The parties agree that the Commonwealth of Massachusetts has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

14.2. Place of Delivery. Borrower agrees to furnish to Lender at Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

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14.3. Governing Law. This Note and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

14.4. Exceptions. Notwithstanding the foregoing choice of law provisions of Federal law and the law of the state in which a Portfolio Property lies shall apply in defining the terms Hazardous Materials, Hazardous Materials Legal Requirements, Environmental Legal Requirements and Legal Requirements applicable to the Portfolio Properties as such terms are used in the Revolving Credit Agreement, and the other Loan Documents.

14.5. Consent to Jurisdiction. Borrower hereby consents to personal

jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

15. Waiver of Jury Trial.

BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BETWEEN THE BORROWER AND THE LENDER BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS NOTE AND ESTABLISH THE FACILITY.

16. No Oral Change.

This Note and the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought. In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealing, or the like be effective to amend, terminate, extend or otherwise modify this Note or any of the other Loan Documents.

17. Rights of the Holder.

This Note and the rights and remedies provided for herein may be enforced by Lender or any subsequent holder hereof. Wherever the context permits each reference to the term "holder" herein shall mean and refer to Lender or the then subsequent holder of this Note.

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18. Right to Pledge.

Lender may at any time pledge all or any portion of its rights under the Loan Documents including any portion of this Note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release Lender from its obligations under any of the Loan Documents.

19. Setoff

Lender shall have the rights of set-off provided for in the Revolving Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date set forth above as a sealed instrument.

Witness: TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner,

- -----  
Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of December 18, 1997 (the "Guaranty"), is given by TANGER FACTORY OUTLET CENTERS, INC., a North Carolina corporation, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Guarantor"); and extended to FLEET NATIONAL BANK, national banking association, with its principal offices located at 75 State Street, Boston, Massachusetts 02109, (the "Lender") for the benefit of TANGER PROPERTIES LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of North Carolina, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Borrower").

RECITALS:

1. The Lender has agreed to establish, in accordance with the terms and provisions of, amongst other documents, a certain Revolving Credit Agreement of even date herewith (as amended, modified, renewed or extended from time to time, the "Revolving Credit Agreement") and a certain Promissory Note of even date (as amended, modified, renewed, or extended from time to time (the "Note"), a certain revolving credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used by the Borrower for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, and the repayment of any other indebtedness of the Borrower. All of the definitions used in the Note and the Revolving Credit Agreement are hereby incorporated herein by reference and shall have the meaning set forth in the Note and the Revolving Credit Agreement unless otherwise defined herein.

2. The Guarantor is the sole general partner of the Borrower.

3. Without this Guaranty the Lender would be unwilling to establish the Facility and make Advances thereunder to Borrower.

4. Because of the direct benefit to the Guarantor from the establishment of the Facility for the use of the Borrower, the Guarantor agrees to guarantee to the Lender the Obligations.

NOW THEREFORE, in consideration of the Lender entering into the Revolving Credit Agreement and establishing the Facility and making the Advances thereunder to the Borrower, and subject to the covenants and conditions of Section 20 below:

1. Guaranty of Payment. The Guarantor hereby unconditionally guarantees to the Lender the payment, when due, by acceleration or otherwise, of the Obligations. For the purposes hereof, the term "Obligations" shall have the meaning ascribed to it under the Revolving Credit Agreement and include, without limitation, Advances under the Facility, whether existing now or arising hereafter.

2. Guaranty of Performance. The Guarantor additionally unconditionally guarantees the Lender the timely performance of all other liabilities and obligations of the Borrower under the Revolving Credit Agreement and all of the Loan Documents.

In the event of the occurrence of an Event of Default as defined in the Revolving Credit Agreement relating to any of the foregoing conditions, and without the necessity of any notice from the Lender to the Guarantor, the Guarantor agrees to indemnify and hold the Lender harmless from any and all loss, cost, liability or expense the Lender may suffer by reason of any such event. The Lender shall accept performance by the Guarantor of the Obligations under the Revolving Credit Agreement and the Loan Documents, and so long as all of said Obligations are being performed by

the Borrower or the Guarantor and there is occurring no other Event of Default, the Lender will make the Facility proceeds available under the terms of the Revolving Credit Agreement, the Note, and the Loan Documents.

3. Subordination. Upon the occurrence and during the continuance of any Event of Default as defined in the Revolving Credit Agreement, no payments shall be made by Borrower or received by the Guarantor on any indebtedness, now or hereafter existing, of the Borrower to the Guarantor.

4. Waiver of Rights. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the Guarantor expressly waives and relinquishes to the fullest extent now or hereafter not prohibited by applicable law, with respect to the Obligations and the Loan Documents: (a) notice of acceptance of this Guaranty by the Lender and of all extensions of credit pursuant to the Revolving Credit Agreement, the Note, and the Loan Documents to the Borrower by the Lender; (b) presentment and demand for payment of any of the Obligations; (c) demand for payment under this Guaranty; (d) all suretyship defenses and defenses in the nature thereof, (e) any right or claim of right to cause a marshalling of the assets of the Borrower, or to cause Lender to proceed against any of the other security for the Obligations before proceeding under this Guaranty against the Guarantor, or if there shall be more than one guarantor, to require Lender to proceed against any other guarantor or any of such guarantors in any particular order, (f) notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, notice of dishonor, or any and all notice of nonpayment, nonperformance, nonobservance or default, or other proof or notice of demand whereby to charge Guarantor therefor; and (g) any right to assert against the Lender, as a defense, counterclaim, set-off, or cross-claim any defense (legal or equitable), set-off, counterclaim or claim which the Guarantor may now or hereafter have against the Lender or the Borrower. Such waiver shall not prevent the Guarantor from asserting against the Lender in a separate action, any claim, action cause of action, or demand that

the Guarantor might have arising out of this Guaranty or the Revolving Credit Agreement, the Note or any other Loan Documents, to the extent not arising out of a suretyship defense or any other claim otherwise waived pursuant to subparagraphs (a), (b), (c), (e), (f), or (g), above.

Guarantor and Lender (evidenced by the acceptance of this Guaranty) mutually hereby knowingly, voluntarily and intentionally waives the right to a trial by jury in respect of any litigation based on this Guaranty, arising out of, under or in connection with this Guaranty or any of the other Loan Documents or, in connection with this Guaranty, any course of conduct, course of dealings, statements, (whether verbal or written) or actions of any party. This waiver is given as a material inducement to Lender to accept this Guaranty and to establish the Facility.

5. Primary Liability of the Guarantor. The Guarantor agrees that this Guaranty may be enforced by the Lender. The Guarantor further agrees that nothing contained herein shall prevent the Lender, from suing on the Note or from exercising any other rights available to it under the Note, the Revolving Credit Agreement, or any other instrument evidencing the Obligations if neither the Borrower nor the Guarantor timely performs the Obligations, and the exercise of any of the aforesaid rights shall not constitute a discharge of any of the Guarantor's obligations hereunder, it being the purpose and intent of the Guarantor that the Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither the Guarantor's obligations under the Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of the Borrower or any co-guarantor or by reason of the Borrower's or any co-guarantor's bankruptcy or insolvency. The Guarantor acknowledges that the term "Obligations" as used herein includes any payments made by the Borrower to the Lender and subsequently recovered by the Borrower or a trustee for the Borrower pursuant to the Borrower's bankruptcy or insolvency. At any time the Lender is entitled to exercise its remedies hereunder, it may in its discretion elect

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to demand payment or performance. In the event the Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Obligations have been paid in full. In the event the Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Obligations have been paid in full.

6. No Impairment. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the liability of Guarantor hereunder shall in no way be limited or impaired by, and Guarantor hereby assents to and agrees to be bound by, any amendment or modification of the provisions of the Loan Documents to or with Lender by Borrower or any other Guarantor. In addition, the liability for the repayment of the Obligations to the Lender of Guarantor under this Guaranty and the other Loan Documents shall in no way be limited or impaired by:

- A. any extensions of time for performance required by any of the Loan Documents;
- B. any amendment to or modification of any of the Loan Documents;
- C. any sale or assignment of the Loan;
- D. the accuracy or inaccuracy of any of the representations or warranties made by or on behalf of Borrower, any general partner of Borrower, or Guarantor, under any Loan Document or otherwise;
- E. the release of Borrower, or any other person or entity, from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, Lender's voluntary act, or otherwise;
- F. the filing of any bankruptcy or reorganization proceeding by or against Borrower;
- G. the release of any other party now or hereafter liable upon or in respect of this Guaranty or any of the other Loan Documents; or
- H. the invalidity or unenforceability of all or any portion of any of the Loan Documents as to Borrower or any other person or entity.



Any of the foregoing may be accomplished with or without notice to Borrower, or any Guarantor and with or without consideration

7. Waiver of Subrogation Rights. The Guarantor agrees that (i) during the period prior to the payment in full of the Obligations the Guarantor shall have no rights of subrogation, reimbursement, contribution, exoneration or indemnity whatsoever against Borrower for the Guarantor's payment to the Lender of the Guarantor's obligation under this Guaranty (hereinafter referred to as the "Rights"), and (ii) the Guarantor waives and renounces but only during the period set forth in (i) above any Rights the Guarantor has or may have against the Borrower for the Guarantor's payment to the Lender of Guarantor's obligations under this Guaranty. This waiver is expressly intended to prevent the existence of any claim (as defined in the Bankruptcy Code) in respect of such Rights by the Guarantor and to prevent the Guarantor from being a creditor of Borrower due to such Rights unless the Lender has received payment in full of the Obligations.

8. Attorney's Fees and Costs of Collection. If at any time or times hereafter the Lender employs counsel to pursue collection, to intervene, to sue for enforcement of the terms hereof or of

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the Revolving Credit Agreement, the Note, or the Loan Documents, or to file a petition, complaint, answer, motion or other pleading in any suit or proceeding relating to this Guaranty or the Revolving Credit Agreement, the Note, or the Loan Documents, then in such event, all of the reasonable attorneys' fees relating thereto shall be an additional liability of the Guarantor to the Lender, payable on demand.

9. Term of Guaranty; Warranties. This Guaranty shall continue in full force and effect until the Obligations are fully paid. This Guaranty covers the Obligations whether presently outstanding or arising subsequent to the date hereof including all Advances under the Facility made pursuant to the Revolving Credit Agreement, the Note, or the Loan Documents. The Guarantor warrants and represents to the Lender, (i) that this Guaranty is binding upon and enforceable against the Guarantor, in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not violate or constitute a breach of any agreement to which the Guarantor is a party or of any applicable laws, (iii) that there is no litigation, claim, action or proceeding pending, or to the best knowledge of the Guarantor, threatened against the Guarantor which would materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to submit to the Lender financial statements in accordance with the terms and provisions of the Revolving Credit Agreement. Guarantor agrees to promptly inform the Lender of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. This Guaranty is binding on and enforceable against the Guarantor, its successors and assigns. The Guarantor represents and warrants that (i) it is a corporation duly organized, existing and in good standing under the laws of the State of North Carolina, with stock outstanding that has been duly and validly issued, (ii) it has the corporate power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Guaranty and the Loan Documents, and (iii) the execution and delivery of this Guaranty and the performance and observance of the provisions hereof have been duly authorized by all necessary corporate and, if required, stockholder action.

10. Further Representations and Warranties. The Guarantor further represents to the Lender that the Guarantor has knowledge of the Borrower's financial condition and affairs and represents and agrees that it will keep so informed while the Guaranty is in force. The Guarantor agrees that the Lender will have no obligation to investigate the financial condition or affairs of the Borrower for the benefit of the Guarantor nor to advise the Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Borrower which might come to the knowledge of the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantor or might (or does) materially increase the risk of the Guarantor as guarantor or might (or would) affect the willingness of the Guarantor to continue as guarantor with respect to the Obligations.

11. Additional Liability of the Guarantor. If the Guarantor is or becomes liable for any indebtedness owing by the Borrower to the Lender by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all the same force and effect it would have if this Guaranty had not existed and the Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

12. Cumulative Rights. All rights of the Lender hereunder or otherwise arising under any documents executed in connection with the Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting or limiting any other right of the Lender and without affecting or impairing the liability of the Guarantor.

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13. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from the Guarantor of interest in excess of the maximum rate or amount that the Guarantor may be required or permitted to pay pursuant to any applicable law.

14. Multiple Counterparts; Pronouns; Captions; Severability. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

15. Lender Assigns. This Guaranty is intended for and shall inure to the benefit of the Lender and each and every person who shall from time to time be or become the owner or holder of any of the Obligations, and each and every reference herein to the "Lender" shall include and refer to each and every successor or assignee of the Lender at any time holding or owning any part of or interest in any part of the Obligations.

This Guaranty shall be transferable and negotiable with the same force and effect and to the same extent, that the Obligations are transferable and negotiable, it being understood and stipulated that upon assignment or transfer by the Lender of its rights and duties under the Revolving Credit Agreement or by the Lender of any of the Obligations, the successor under the Revolving Credit Agreement, or the legal holder or owner of said Obligations (or a part thereof or interest therein thus transferred or assigned by the Lender), as the case may be, shall (except as otherwise stipulated by the Lender in its assignment) have and may exercise all of the rights granted to the Lender under this Guaranty to the extent of that part of or interest in the Obligations thus assigned or transferred to said person. The Guarantor expressly waives notice of transfer or assignment of the Obligations, or any part thereof, or of the rights of the Lender hereunder. Failure to give notice will not affect the liability of the Guarantor hereunder.

16. Application of Payments. The Lender may apply any payments received by it from any source against that portion of the Obligations (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.

17. Notices. All notices required to be given hereunder shall be in writing and shall be deemed served at the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, or (iii) upon delivery when deposited with Federal Express, Airborne Express, or other similar courier providing next-day deliveries, in each case, addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required.

to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street [zip 27408]  
P.O. Box 29168  
Greensboro, NC 27429  
Attention: Mr. Stanley K. Tanger and  
Ms. Virginia Summerell

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to the Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02109  
Attn: Commercial Real Estate Loan Administration

Personal delivery or any officer, agent or employee of a party at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice of demand herein provided or to require giving of notice or demand to or upon the Guarantor in any situation or for any reason.

18. Governing Law. This Guaranty shall be deemed to be a contract made under and for all purposes shall be construed in accordance with, the internal laws and judicial decisions of the Commonwealth of Massachusetts. The Guarantor and the Lender agree that any dispute arising out of this Guaranty shall be subject to the jurisdiction of both the state and federal courts in the Commonwealth of Massachusetts. For that purpose, the Guarantor hereby submits to the jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. The Guarantor further agrees to accept service of process out of any of the before mentioned courts in such dispute by registered or certified mail addressed to the Guarantor.

19. Federal Tax Identification Number. The Guarantor hereby certifies to the Lender that the Guarantor's federal tax identification number is 56-1815473.

20. Lender Covenants. Notwithstanding any other provisions of this Guaranty by accepting this Guaranty Lender warrants, covenants and agrees as follows: (a) Lender will not institute an action against the Guarantor or exercise any of Lender's remedies under this Guaranty unless and until an Event of Default (as defined in the Revolving Credit Agreement) has occurred and is continuing; (b) the Facility may be prepaid in full without penalty (other than any payments due as a result of prepaying a Eurodollar Advance (as defined in the Note) prior to the termination of the then applicable Interest Period (as defined in the Note) at any time during which an Event of Default has occurred and is continuing; and (c) Lender will not enforce its rights against the Guarantor, unless in the same proceeding, the Lender shall also seek recovery (unless Lender is prohibited, temporarily or permanently, by bankruptcy, dissolutions, injunction, inability to achieve service of process or other similar legal impediment) from the Borrower of any outstanding balance due on the Obligations. Nothing herein shall limit Lender's rights against Guarantor to pursue only a deficiency judgment or otherwise obligate Lender to take actions other than as set forth above.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal as of the day and year first above written.

TANGER FACTOR OUTLET CENTERS,  
INC.

[CORPORATE SEAL]

By: \_\_\_\_\_  
Stanley K. Tanger  
Chairman of the Board  
Chief Executive Officer

ATTEST:

- \_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing Guaranty Agreement was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 199\_, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

-----  
Print Name:  
Notary Public, State of \_\_\_\_\_  
My Commission Number is: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

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REVOLVING CREDIT AGREEMENT

Dated: As of December 18, 1997

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

("Borrower")

and

FLEET NATIONAL BANK

("Lender")

\$25,000,000.00

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#### REVOLVING CREDIT AGREEMENT

This is a Revolving Credit Agreement (this "Revolving Credit Agreement") made and entered into as of the 18th day of December, 1997, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") and FLEET NATIONAL BANK, a national banking association having an address at 75 State Street, Boston, Massachusetts, 02109 ("Lender").

#### WITNESSETH:

##### 1. BACKGROUND.

1.1 Defined Terms. Capitalized terms used in this Revolving Credit Agreement are defined either in Exhibit A, or in specific sections of this Revolving Credit Agreement, or in another Loan Document, as referenced in Exhibit A

1.2 Borrower. Borrower is a limited partnership organized under the laws of the State of North Carolina of which the sole general partner is Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina.

1.3 Use of Proceeds. Borrower has applied to Lender to establish a revolving line of credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to closing the Facility.

1.4 Guaranties and Indemnities. As an inducement to Lender to establish the Facility, Tanger Factory Outlet Centers, Inc., having an address at 1400 West Northwood Street, Greensboro, North Carolina (the "Guarantor") has agreed to furnish a certain guaranty.

1.5 Facility. Subject to all of the terms, conditions and provisions of this Revolving Credit Agreement, and of the agreements and instruments referred to herein, Lender agrees to establish the Facility and Borrower agrees to accept and repay proceeds outstanding under the Facility.

## 2. ESTABLISHMENT OF FACILITY.

2.1 Facility. The Lender hereby establishes the Facility in the Borrower's favor pursuant to which the Lender agrees to lend to the Borrower until the Termination Date, and the Borrower agrees to borrow from the Lender, from time to time, loans and advances (the "Advances"), provided that the aggregate principal amount of the Facility at any one time outstanding hereunder shall not exceed the Maximum Commitment Amount.

2.2 Advances. The Borrower may request in writing Advances under the Facility.

2.2.1 Time of Advance. At the time of each Advance under the Facility, the Borrower shall immediately become indebted to the Lender for the amount thereof. Each Advance made by the Lender may, at the Lender's option, be (i) credited by the Lender to any deposit account of the Borrower; (ii) paid to the Borrower; or (iii) applied to any Obligation of the Borrower to the Lender (each of the foregoing of which may be by check, draft, or other written order or by bank wire or other transfer).

2.2.2 Certifications. Upon requesting an Advance under the Facility, the Borrower shall be deemed to have certified that as of the date of such request, the following representations are each true and correct:

(i) to the best of the Borrower's knowledge, there has been no material adverse change in the Borrower's or Guarantor's financial condition from the most recent financial information furnished the Lender pursuant to this Revolving Credit Agreement; and

(ii) to the best of the Borrower's knowledge, the Borrower and the Guarantor are in compliance with, and have not breached any of, the covenants contained in this Revolving Credit Agreement; and

(iii) no event has occurred nor failed to occur which occurrence or failure is, or with the passage of time or giving of notice (or both), would constitute, an Event of Default (as described herein), whether or not the Lender has exercised any of its rights upon such occurrence or failure.

2.3 Maximum Facility. The maximum availability under the Facility shall be \$25,000,000.00 (the "Maximum Commitment Amount").

2.4 Interest Rate and Payment Terms. The Facility shall be payable as to interest and principal in accordance with the provisions of a certain Promissory Note dated even date herewith

(the "Note"). The Note also provides for interest at a Default Rate (as defined in the Note), Late Charges (as defined in the Note) and prepayment rights and fees.

## 2.5 Fees.

2.5.1 Commitment Fee. Borrower shall pay a loan commitment fee in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00), representing one half of one percent (0.50%) of the Maximum Commitment Amount, of which Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid previously, (ii) Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid as of the date hereof, and (iii) the balance of which shall be payable on the earlier of (x) the date one (1) year from the date hereof or (y) the Termination Date; provided however, the Commitment Fee shall be entirely earned as of the date hereof.

2.5.2 Facility Fee. Borrower shall pay annually, as compensation for the Lender's maintenance of sufficient funds available for such purpose, in arrears, a facility fee in an amount equal to twelve and one half (12.5) basis points computed on the average undrawn portion of the Facility. The facility fee shall be calculated as of the 18th day of December of each year; provided however, as of the Termination Date, the facility fee shall be calculated in its entirety for that portion of the year expired as of the Termination Date. The facility fee shall be due and payable on or before twenty (20) days

after Borrower's receipt of a statement from the Lender as to the amount of such facility fee. The Lender agrees to provide the Borrower with a worksheet detailing each calculation of the average undrawn portion of the Facility.

3. LOAN DOCUMENTS. The obligations outstanding under the Facility together with interest thereon and all other charges and amounts payable by, and all other obligations of, Borrower to Lender, whenever incurred, direct or indirect, absolute or contingent, arising under the Facility or the Loan Documents ("Obligations") shall be made, evidenced, administered, and governed by all of the terms, conditions and provisions of the "Loan Documents", each as the same may be hereafter modified or amended, consisting of: (i) this Revolving Credit Agreement; (ii) the Note; (iii) the Guaranty from Guarantor; and (iv) any other documents, instruments, or agreements executed to further evidence or secure the Facility. Each of the Loan Documents listed in items (i) through (iv), inclusive is dated of even date herewith.

4. CONTINUING AUTHORITY OF AUTHORIZED REPRESENTATIVES. Lender is authorized to rely upon the continuing authority of the persons, officers, signatories or agents hereafter designated

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("Authorized Representatives") to bind Borrower with respect to all matters pertaining to establishment of the Facility and the Loan Documents including, but not limited to, requests for Advances and the selection of interest rates. Such authorization may be changed only upon written notice to Lender accompanied by evidence, reasonably satisfactory to Lender, of the authority of the person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by Lender. The present Authorized Representatives are listed on Exhibit C. Lender shall have a right of approval, not to be unreasonably withheld or delayed, over the identity of the Authorized Representatives so as to assure Lender that each Authorized Representative is a responsible and senior official of Borrower.

5. CONDITIONS PRECEDENT. It shall be a condition precedent of Lender's obligation to establish the Facility and make each future Advance thereunder that each of the following conditions precedent be satisfied in full (as determined by Lender in its discretion, which discretion shall be exercised in good faith), unless specifically waived in writing by Lender at or prior to closing and at or prior to each Advance under the Facility:

5.1 Satisfactory Loan Documents. Each of the Loan Documents shall be satisfactory in form, content and manner of execution and delivery to Lender and its counsel.

5.2 No Material Change. No material adverse change shall have occurred in the financial condition, business, affairs, operations or control of Borrower or Guarantor, since the date of their respective financial statements most recently delivered to Lender: as of the date hereof, September 30, 1997 for Borrower; September 30, 1997 for Guarantor.

5.3 Warranties and Representations Accurate. All warranties and representations made by or on behalf of any of Borrower, or Guarantor, to Lender shall be true, accurate and complete in all material respects and shall not omit any material fact necessary to make the same not misleading.

5.4 Financials. Lender shall have received and approved financial statements from Borrower and Guarantor complying with the standards set forth in Section 7.2.

5.5 Hazardous Waste, Hazardous Materials and Toxic Substances. The Lender shall have received, and in its sole discretion approved, satisfactory reports from acceptable, qualified professionals prepared in accordance with Lender's protocols indicating the acceptability of the environmental risk for such of the Borrower's properties, as requested by the Lender.

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5.6 Organizational Documents and Entity Agreements. Lender shall have received and approved (i) the partnership agreement and organizational documents of the Borrower and (ii) the corporate organizational documents of the Guarantor.

5.7 Votes, Consents and Authorizations. Lender shall have received and approved certified copies of all partnership, entity and corporate votes, consents and authorizations as may be reasonably required to evidence authority for: (i) establishing the Facility and the transactions contemplated hereby; (ii) providing continuing authorization to designated persons to deal in all respects on behalf of Borrower; and (iii) the execution of all Loan Documents.



5.8 Legal and Other Opinions. Lender shall have received and approved legal opinion letters from counsel representing Borrower and Guarantor which meet Lender's legal opinion requirements previously furnished to Borrower and Guarantor.

5.9 Leasing Matters. To the extent requested, Lender shall have received and approved current rent rolls for the Borrower's properties.

5.10 No Event of Default. There shall not be any Event of Default under any of the Loan Documents.

6. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents to Lender for the express purpose of inducing Lender to enter into this Revolving Credit Agreement, to make Advances under the Facility, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Revolving Credit Agreement, upon the date the initial Advance is funded and at all times thereafter until the Facility has been repaid and all Obligations to Lender have been satisfied as follows:

6.1 Financial Information. True, accurate and complete financial statements of Borrower and Guarantor have been delivered to Lender and the same fairly present the financial condition of Borrower and Guarantor as of the dates thereof and no material and adverse change has occurred in such financial condition since the dates thereof. All financial statements of Borrower and Guarantor hereafter furnished to Lender shall be true, accurate and complete and shall fairly present the financial condition of Borrower and Guarantor as of the dates thereof.

6.2 No Violations. The establishment of the Facility and the subsequent payment and performance of the obligations evidenced by the Loan Documents shall not constitute a violation of, or conflict with, any law, order, regulation, contract, agreement or organizational document to which Borrower or

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Guarantor is a party or by which Borrower or Guarantor, or the property thereof, may be bound.

6.3 No Litigation. There is no material litigation now pending, or to the best of Borrower's knowledge threatened, against Borrower or Guarantor which if adversely decided could materially impair the ability of Borrower or Guarantor to pay and perform its obligations hereunder or under the other Loan Documents.

6.4 Compliance With Legal Requirements and Environmental Legal Requirements. The use, operation, ownership, and development of the Borrower's properties comply with, and shall continue to comply with, all material Legal Requirements and Environmental Legal Requirements, and any and all covenants, conditions, restrictions or other matters which materially affect the Borrower's properties.

6.5 Required Licenses and Permits. All Licenses and Permits which are reasonably required in order to use, operate, own and develop the Borrower's properties in the usual course of business have been duly and properly obtained, and will remain in full force and effect, and have been, and shall be complied with, in all material respects.

6.6 Use of Proceeds. The Advances under the Facility shall be used solely and exclusively to provide funds to support development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to establishment of the Facility. No portion of the proceeds of the Facility shall be used directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase or carry any margin stock, or to extend credit to others for the purpose thereof, or to repay or refund indebtedness previously incurred for such purpose, or (ii) for any purpose which would violate or is inconsistent with the provisions of regulations of the Board of Governors of the Federal Reserve System including, without limitation, Regulations G, T, U and X thereof.

6.7 Entity Matters.

6.7.1 Organization.

(i) Borrower. Borrower is a duly organized validly existing limited partnership in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business

and to own its property, as now conducted or owned, and as contemplated by this Revolving Credit Agreement.

(ii) Guarantor. Guarantor is a duly organized validly existing corporation in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business, as now conducted, and as contemplated by this Revolving Credit Agreement.

6.7.2 Ownership and Taxpayer Identification Numbers. All of the general partners of Borrower, and a description of the ownership interests of Borrower held by the same, are listed in Exhibit B. The identity and ownership of any Guarantor which is not natural person is accurately stated on Exhibit B. The taxpayer identification numbers of Borrower and the Guarantor are accurately stated in Exhibit B.

6.7.3 Authorization. All required partnership and corporate actions and proceedings have been duly taken so as to authorize the execution and delivery by Borrower and, where applicable, Guarantor of the Loan Documents.

6.8 Valid and Binding. Each of the Loan Documents constitute legal, valid and binding obligations of Borrower and, where applicable, Guarantor, in accordance with the respective terms thereof, subject to bankruptcy, insolvency and similar laws of general application affecting the rights and remedies of creditors and, with respect to the availability of the remedies of specific enforcement, subject to the discretion of the court before which any proceeding therefor may be brought.

6.9 Deferred Compensation and ERISA. Borrower does not have any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by Title IV of the Employment Retirement Security Act of 1974, as now or hereafter amended ("ERISA") except as may be designated to Lender in writing by Borrower from time to time ("ERISA Plan") and no "Reportable Event" as defined in ERISA has occurred and is now continuing with respect to any such ERISA Plan. The establishing of the Facility, the performance by Borrower of its obligations under the Loan Documents and Borrower's conducting of its operations do not and will not violate any provisions of ERISA.

6.10 Conditions Satisfied. Assuming that Lender has approved all matters requiring their approval, all of the conditions precedent to establishing the Facility set forth in Section 5 have been satisfied.

6.11 No Material Change; No Event of Default. There has been no material adverse change in the financial condition, business, affairs or control of Borrower or Guarantor since the date of their respective last financial statements most recently delivered to the Lender in accordance with the requirements of Section 7.2 hereof. No Event of Default exists under any of the Loan Documents. There is no Event of Default on the part of Borrower or Guarantor under this Revolving Credit Agreement or any of the other Loan Documents and to the best of the Borrower's knowledge, no event has occurred and is continuing which could constitute an Event of Default under any Loan Document. Borrower has filed all required federal, state and local tax returns and has paid all taxes due pursuant to such returns or any assessments against Borrower or the Borrower's assets.

6.12 No Broker or Finder. Neither Borrower, nor Guarantor, nor anyone on behalf thereof, has dealt with any broker, finder or other person or entity who or which may be entitled to a broker's or finder's fee, or other compensation, payable by Lender in connection with establishing of the Facility.

6.13 Background Information and Certificates. All of the factual information contained or referred to in Section 1 of this Revolving Credit Agreement and in the Exhibits to this Revolving Credit Agreement or the other Loan Documents, and in the certificates and opinions furnished to Lender by or on behalf of Borrower in connection with the Facility, is true, accurate and complete in all material respects, and omits no material fact necessary to make the same not misleading.

6.14 Guarantor's Warranties and Representations. Borrower has no reason to believe that any warranties or representations made in writing by Guarantor to Lender are untrue, incomplete or misleading in any respect.

7. COVENANTS. Borrower covenants and agrees that from the date hereof and so long as any Obligations remain outstanding hereunder, or there exists any

availability to make Advances under the Facility, as follows:

7.1 Notices. Borrower shall, with reasonable promptness, but in all events within ten (10) days after it has actual knowledge thereof, notify Lender in writing of the occurrence of any act, event or condition (i) which constitutes an Event of Default under any of the Loan Documents or (ii) which would constitute, solely with the passage of time or the giving of notice, an Event of Default. Such notification shall include a written statement of any remedial or curative actions which Borrower proposes to undertake to cure or remedy such Event of Default.

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7.2 Financial Statements and Reports. Borrower shall furnish or cause to be furnished to Lender from time to time, the following financial statements and reports and other information, all in form, manner of presentation and substance acceptable to Lender:

7.2.1 Annual Statements. Within 120 days of the fiscal year end of the Borrower and the Guarantor, audited consolidating financial statements of Borrower and Guarantor prepared in accordance with GAAP, or other recognized method of accounting acceptable to Lender, consistently applied, by an independent, certified public accountant acceptable to Lender, such financial statements to include and to be supplemented by such detail and supporting data and schedules as Lender may from time to time reasonably determine, including, without limitation, consolidated financial statements consisting of a balance sheet as of the end of the fiscal year, income statements, and statements of cash flows for the fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, as reported in the Form 10-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all being certified by the General Partner of the Borrower and the chief financial officer of the Guarantor;

7.2.2 Periodic Statements. Within 45 days following the end of each fiscal quarter the following,

(i) Certified Internally Prepared Financial Statements. For the Borrower and the Guarantor, internally prepared financial statements consisting of the consolidated and consolidating balance sheets, income statements, and statement of cash flows for the quarter just ended, and for the fiscal year through the quarter, as reported in the Form 10-Q of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all certified by the General Partner and the chief financial officer of the Guarantor, as having been prepared in accordance with GAAP consistently applied; and

(ii) Certificate of Compliance. Contemporaneously with the delivery of the reports referred to in clause (i) above, a certification by the general partner of Borrower and the chief financial officer of the Guarantor (the "Certificate of Compliance") (x) as to the status and compliance of the financial covenants set forth in Section 8 below and (y) to the Borrower's knowledge that there is not occurring an Event of Default, which certification shall be in the form attached hereto as Exhibit D.

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7.2.3 Data Requested. Within a reasonable period of time and from time to time, but no more frequently than quarterly unless an Event of Default has occurred and is continuing, such other financial data or information as Lender may reasonably request with respect to the Borrower or the Guarantor, including, without limitation, the Form 8-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission.

7.3 Payment of Taxes and Other Obligations. Borrower shall duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges payable by it, or with respect to any of the Borrower's properties.

7.4 Conduct of Business; Compliance With Law. Borrower shall own, develop, operate and use its properties and conduct its affairs in a lawful manner and in compliance with all Legal Requirements and Environmental Legal Requirements applicable thereto and all provisions of ERISA to the extent that a failure to do so would result in a material adverse effect in the conduct of the Borrower's business or the ability of the Borrower to perform its obligations

hereunder.

7.5 Insurance. Borrower shall at all times maintain in full force and effect the insurance coverages satisfactory to the Lender. All insurance premiums shall be paid annually, in advance, and Lender shall be provided with evidence of such prepayment of insurance premiums prior to closing and upon the request of Lender. The Lender acknowledges that the insurance as of the date hereof as reflected in the Certificate of Insurance provided by the Borrower is satisfactory to the Lender.

7.6 Indemnification Against Payment of Brokers' Fees. Borrower agrees to defend, indemnify and save harmless Lender from and against any and all liabilities, damages, penalties, costs, and expenses, relating in any manner to any brokerage or finder's fees in respect of establishing the Facility.

7.7 Limitations On Certain Transactions. Borrower and Guarantor agrees to the following limitations:

7.7.1 No Merger or Acquisition. Neither the Borrower nor the Guarantor shall dissolve or liquidate, nor, without notice to the Lender, merge or consolidate with any other entity.

7.7.2 Guarantor's Status as a REIT. The Guarantor is and shall continue to be in compliance with all requirements of law relative to its status as a Real Estate Investment Trust ("REIT") (including without limitation the Securities Act and the Securities Exchange Act, and the applicable rules and regulations thereunder, state securities laws and

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"Blue Sky") applicable to it and its respective businesses, in each case, where the failure to comply would have a material adverse effect on the Guarantor's status as a REIT. The Guarantor has made all filings with and obtained all consents of the Securities and Exchange Commission as required under the Securities Act and the Securities Exchange Act in connection with the execution, delivery and performance by the Guarantor of each of the Obligations incurred in connection with the Loan Documents.

7.7.3 Limitations on Investments. Except for its interest in the Borrower, Guarantor shall be prohibited from investing in any other partnerships, corporations, limited liability companies or other entities whatsoever.

7.7.4 Limitations on Conduct. Guarantor shall be prohibited from engaging in, or conducting, any business whatsoever other than the operations conducted in its capacity as general partner of the Borrower.

7.7.5 Limitations on Acquisitions. Guarantor shall be prohibited from purchasing or acquiring any assets whatsoever other than those assets purchased or acquired in its capacity as general partner of the Borrower.

7.7.6 Consent to Certain Actions. The Guarantor shall be allowed to undertake any of the actions prohibited in Sections 7.7.3, 7.7.4 or 7.7.5, with the prior written consent of the Lender. In the event that the Borrower requests any such consent in writing, if the Lender does not within fifteen (15) Business Days of the Lender's receipt of such written request, and all information reasonably required in order to evaluate such request, provide either the Lender's written consent or disapproval thereof, such consent shall be deemed to have been granted by the Lender.

7.8 Deposit of Proceeds; Other Bank Accounts.

7.8.1 Borrower shall establish a demand (checking) account with Lender. The following account(s) have been opened for the purpose of creating a depository account for the Property: Account No. \_\_\_\_\_ at Fleet National Bank in the name of Tanger Properties Limited Partnership(the "Account").

7.8.2 Lender is hereby authorized, on or after the due date, to charge the Account with the amount of all payments due under this Revolving Credit Agreement, the Note or the other Loan Documents. The failure of Lender to so charge such account shall not affect or limit Borrower's obligation to make any required payment.

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7.8.3 (i) If any payment is not made when due under any of the Loan Documents, after giving regard to applicable grace periods, if any, or (ii) if any Event of Default or other event which would entitle Lender to accelerate the indebtedness under the Note; then, in any such event, any deposits, balances or other sums credited by or due from Lender in the Account, may to the fullest extent not prohibited by applicable law at any time or from time to time, without regard to the existence, sufficiency or adequacy of any other collateral, and without notice or compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise, all of which are hereby waived, be set off, debited and appropriated, and applied by Lender against any or all of Borrower's Obligations irrespective of whether demand shall have been made and although such Obligations may be unmatured, in such manner as Lender in its sole and absolute discretion may determine. Within five (5) Business Days of making any such set off, debit or appropriation and application with respect to the Account, Lender agrees to notify Borrower thereof, provided the failure to give such notice shall not affect the validity of such set off, debit or appropriation and application.

7.9 Place for Records: Inspection. Borrower shall maintain business records at the address specified at the beginning of this Revolving Credit Agreement, as such address may be changed upon notice to the Lender. Upon notice and at reasonable times during normal business hours Lender shall have the right (through such agents or consultants as Lender may designate) to examine Borrower's assets, including, without limitation, the Borrower's properties, and make copies of and abstracts from Borrower's books of account, correspondence and other records and to discuss its financial and other affairs with any of its partners and any accountants hired by Borrower, it being agreed that Lender shall use reasonable efforts to not divulge information obtained from such examination to others except in connection with Legal Requirements and in connection with administering the Facility, enforcing its rights and remedies under the Loan Documents and in the conduct, operation and regulation of its banking and lending business (which may include, without limitation, the transfer of the Facility or of participation interests therein). Any transferee of the Facility or any holder of a participation interest in the Facility shall be entitled to deal with such information in the same manner and in connection with any subsequent transfer of its interest in the Facility or of further participation interests therein.

7.10 Costs and Expenses. Borrower shall pay all fees, costs and expenses reasonably incurred by Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any subsequent amendments thereto, and the enforcement of Lender's rights under the Loan Documents,

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including, without limitation, reasonable legal fees and disbursements.

7.11 Indemnification. Borrower shall at all times, both before and after repayment of the Obligations, at its sole cost and expense defend, indemnify, exonerate and save harmless Lender and all those claiming by, through or under Lender ("Indemnified Party") against and from all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind whatsoever, including, without limitation, reasonable attorneys' fees and experts, fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Party and arising from or out of:

- (i) any Hazardous Materials or any violation of any Environmental Legal Requirements applicable to the Borrower's properties, the Borrower, or both;

- (ii) any liability for damage to person or property arising out of any violation of any Legal Requirement applicable to the Borrower's properties, Borrower, or both; or

- (iii) any act, omission, negligence or conduct at the Borrower's properties, or arising or claimed to have arisen, out of any act, omission, negligence or conduct of Borrower or any contractor, sub contractor, tenant, occupant or invitee thereof, which is in any way related to the Borrower's properties.

Notwithstanding the foregoing, an Indemnified Party shall not be entitled to indemnification in respect of claims arising from acts of its own gross negligence or willful misconduct to the extent that such gross negligence or willful misconduct is determined by the final judgment of a court of competent jurisdiction, not subject to further appeal, in proceedings to which such Indemnified Party is a proper party.

7.12 Maintenance of Borrower's properties. Borrower shall protect and maintain, or cause to be maintained, in a manner consistent with Borrower's current maintenance standards at all times, the buildings and structures now standing or hereafter erected on the Borrower's properties, and any additions and improvements thereto, and all personal property now or hereafter situated therein, and the utility services, the parking areas and access roads, and all building fixtures and equipment and articles of personal property now or hereafter acquired and used in connection with the operation of the Borrower's properties.

7.13 Acquisitions and Dispositions of Borrower's assets. Borrower shall provide Lender with written notice of all

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dispositions or acquisitions of Projects within fifteen (15) days of said disposition or acquisition.

7.14 Replacement Documentation. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon surrender and cancellation of such Note or other security document, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor.

8. FINANCIAL COVENANTS. Each of the financial covenants set forth hereunder shall be calculated as of the Calculation Date, and shall be determined in a manner acceptable to Lender.

8.1 Fair Market Minimum Net Worth. Borrower shall maintain a Fair Market Minimum Net Worth equal to or in excess of \$175,000,000.00.

8.2 Total Liabilities to Total Adjusted Asset Value. Borrower shall not permit the ratio of Total Liabilities to Total Adjusted Asset Value to exceed sixty (60%) percent.

8.3 Secured Indebtedness to Total Adjusted Asset Value. Borrower shall not permit the ratio of Secured Indebtedness to Total Adjusted Asset Value to exceed forty (40%) percent.

8.4 EBITDA to Debt Service. Borrower shall maintain the ratio of (i) EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) Debt Service for the twelve (12) month period ending on such Calculation Date equal to or in excess of 2.0: 1.0.

8.5 Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value. Borrower shall not permit the ratio of Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value to exceed sixty (60%) percent.

8.6 Unencumbered EBITDA to Total Outstanding Unsecured Indebtedness. Borrower shall maintain the ratio of (i) Unencumbered EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) that portion of interest expense attributable to Total Outstanding Unsecured Indebtedness for the twelve (12) month period ending on the Calculation Date, equal to or in excess of 2.25: 1.0.

8.7 Distributions. Annual dividends and distributions will not exceed Funds From Operations, and will be measured at each fiscal year end.

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8.8 Projects Under Development to Total Adjusted Asset Value. Borrower will not permit the ratio of the cost value of Projects Under Development to exceed twenty five (25%) percent of Total Adjusted Asset Value.

8.9 Undeveloped Land Holdings to Total Adjusted Asset Value. Borrower shall not permit the ratio of cost value of all undeveloped holdings (raw land) (exclusive of any properties determined to be Projects Under Development) determined in accordance with GAAP to exceed fifteen (15%) percent of Total Adjusted Asset Value.

8.10 Total Variable Rate Indebtedness to Total Adjusted Asset Value. Borrower will not permit the ratio of Total Variable Rate Indebtedness to exceed twenty (20%) percent of Total Adjusted Asset Value.

9. EVENTS OF DEFAULT. The following provisions deal with Events of Default, notice, grace and cure periods, and certain rights of Lender following an Event of Default.

9.1 Events of Default. Each of the following events, unless cured within any applicable grace period set forth or referred to below in this Section 9.2 shall constitute an "Event of Default":

9.1.1 Generally. A default by Borrower in the performance of any term, provision or condition of this Revolving Credit Agreement to be performed by Borrower, or a breach, or other failure to satisfy, any other term, provision, condition, covenant or warranty under this Revolving Credit Agreement and such default is not waived and remains uncured beyond any applicable specific grace period provided for in this Revolving Credit Agreement, or as set forth in Section 9.2 below;

9.1.2 Note and Other Loan Documents. A default by Borrower in the payment of any principal or interest due under the Note on the due date thereof or performance of any term or provision of the Note, or of any of the other Loan Documents, or a breach, or other failure to satisfy, any other term, provision, condition or warranty under the Note, or any other Loan Document, regardless of whether the then undisbursed portion of the Facility is sufficient to cover any payment of money required thereby, and the specific grace period, if any, allowed for the default in question shall have expired without such default having been cured or waived;

9.1.3 Other Indebtedness. The occurrence of an event constituting a default (after the expiration of any applicable grace period without the cure or waiver thereof) under the terms of any other Indebtedness of the Borrower to

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any one third party in the amount in excess of Five Million Dollars (\$5,000,000.00); provided however, if the Indebtedness is non-recourse to the Borrower, the occurrence of an event constituting a default after the expiration of any applicable grace period without the cure or waiver thereof under the terms of such Indebtedness of the Borrower to any one third party in the amount in excess of Ten Million Dollars (\$10,000,000.00).

9.1.4 Financial Status and Insolvency.

A. Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment for the benefit of creditors; (iv) consent to, or acquiesce in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (v) file a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law; (vi) have a court of competent jurisdiction enter an order, judgment or decree appointing a receiver, liquidator or trustee of Borrower, or of the whole or any substantial part of the property or assets of Borrower, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for sixty (60) days; (vii) have a petition filed against it seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law and such petition shall remain undismissed for sixty (60) days; (viii) have, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assume custody or control of Borrower or of the whole or any substantial part of its property or assets and such custody or control shall remain untermiated or unstayed for sixty (60) days; (ix) have an attachment or execution levied against any substantial portion of the real estate owned by Borrower; or (x) have any materially adverse change in its financial condition since the date of this Revolving Credit Agreement; or

B. any such event as set forth in Section 9.1.3 or Section 9.1.4. A. shall occur with respect to any Guarantor or any general partner of Borrower; or

9.1.5 Breach of Representation or Warranty. Any material representation or warranty made by Borrower or

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Guarantor herein or in any other instrument or document relating to the Facility shall at any time be materially false or misleading, or any warranty shall be materially breached and such is not waived by Lender;

9.1.6 Guarantor Default. A default by Guarantor in the performance of any term or provision of any Loan Document to which Guarantor is a party, or the breach, or any other failure to satisfy any other term, provision, condition or warranty imposed upon the Guarantor in any Loan Document to which Guarantor is a party or by which Guarantor is bound, after the expiration of any applicable grace period without the cure or waiver thereof, such cure period being determined in the same manner as for the Borrower.

9.2 Grace Periods and Notice. As to each of the foregoing events the following provisions relating to grace periods and notice shall apply:

9.2.1 No Notice or Grace Period. There shall be no grace period and no notice provision with respect to the payment of principal at maturity and no grace period and no notice provision with respect to defaults related to the voluntary filing of bankruptcy or reorganization proceedings or an assignment for the benefit of creditors, or with respect to nonmonetary defaults which are not reasonably capable of being cured, or with respect to a breach of a material warranty or representation under Section 6.

9.2.2 Nonpayment of Interest. As to any payment which is made by an overdraft to Borrower's account which overdraft is not repaid within three (3) Business Days or as to the nonpayment of interest, there shall be a ten (10) day grace period without any requirement of notice from Lender.

9.2.3 Other Monetary Defaults. All other monetary defaults shall have a five (5) Business Day grace period following notice from Lender, or, if shorter, a grace period without notice until five (5) Business Days before the last day on which payment is required to be made in order to avoid: (i) the cancellation or lapse of required insurance, or (ii) a tax sale or the imposition of late charges or penalties in respect of taxes or other municipal charges.

9.2.4 Nonmonetary Defaults Capable of Cure. As to nonmonetary defaults which are reasonably capable of being cured or remedied, unless there is a specific shorter or longer grace period provided for in this Revolving Credit Agreement or in another Loan Document, there shall be a thirty (30) day grace period following notice from Lender or, if such default would reasonably require more than thirty (30) days to cure or remedy, such longer period of time not to exceed a total of one hundred and twenty (120)

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days from Lender's notice as may be reasonably required so long as Borrower shall commence reasonable actions to remedy or cure the default within thirty (30) days following such notice and shall diligently prosecute such curative action to completion within such one hundred and twenty (120) day period. However, where there is an emergency situation in which there is danger to person or property such curative action shall be commenced as promptly as possible. As to breaches of warranties and representations (other than those related to financial information or construction documents) there shall be a thirty (30) day grace period following notice from Lender.

Lender: 9.3 Certain Lender Remedies. If an Event of Default shall occur,

9.3.1 Accelerate Debt. May declare the indebtedness evidenced by the Note and the Obligations immediately due and payable (provided that in the case of a voluntary petition in bankruptcy filed by Borrower or (after the expiration of the grace period if any set forth above) an involuntary petition in bankruptcy filed against Borrower, such acceleration shall be automatic). Upon such an acceleration all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate and any applicable Yield Maintenance Prepayment Fee (as defined in the Note); and

9.3.2 Pursue Remedies. May pursue any and all remedies provided for hereunder, or under any one or more of the other Loan Documents.

9.3.3 Written Waivers. If an Event of Default is waived by Lender, in its sole discretion, pursuant to a specific written instrument executed by an authorized officer of Lender, the Event of Default so waived shall be deemed to have never occurred.



#### 10. ADDITIONAL REMEDIES OF LENDER.

10.1 Remedies. Upon the occurrence of an Event of Default, whether or not the indebtedness evidenced by the Note shall be due and payable or Lender shall have instituted any action for the enforcement of the Note, Lender may, in addition to any other remedies which Lender may have hereunder or under the other Loan Documents, and not in limitation thereof, and in Lender's sole and absolute discretion, proceed to protect and enforce its rights and remedies under this Revolving Credit Agreement, the Note or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Revolving Credit Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are

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evidenced, including as permitted by applicable law, the obtaining of the ex parte appointment of a receiver, and, if any amount owed to the Lender shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Lender. No remedy conferred upon the Lender or the holder of the Note in this Revolving Credit Agreement or in any of the other Loan Documents is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

10.2 Reimbursement. Lender shall have the right to collect and seek reimbursement for all sums paid or incurred pursuant to any of the Loan Documents, including Section 7.10, and all payments made or incurred by Lender hereunder shall be paid by Borrower to Lender upon demand with interest at the Default Rate from the date of payment by Lender to the date of payment to Lender.

10.3 Power of Attorney. For the purpose of exercising the rights granted by this Section 10.3, as well as any and all other rights and remedies of Lender, Borrower hereby irrevocably constitutes and appoints Lender (or any agent designated by Lender) its true and lawful attorney-in-fact, upon and following any Event of Default, to execute, acknowledge and deliver any instruments and to do and perform any acts permitted hereunder or by law in the name and on behalf of Borrower.

#### 11. GENERAL PROVISIONS.

11.1 Notices. Any notice or other communication (other than routine reporting as required under the Loan Documents) in connection with this Revolving Credit Agreement, the Note, or any of the other Loan Documents, shall be in writing, and (i) deposited in the United States Mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service such as Federal Express, or (iii) sent by facsimile transmission, if a FAX Number is designated below, provided a copy is also sent by first-class mail addressed:

If to Borrower:

Tanger Properties Limited Partnership  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

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Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

If to Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02108  
FAX Number: (617) 346-3220  
Attention: Commercial Real Estate Loan

with copies by regular mail or such hand delivery or facsimile transmission to:

Riemer & Braunstein  
Three Center Plaza  
Boston, Massachusetts 02108  
FAX Number: (617) 723-6831  
Attention: Steven J. Weinstein, Esquire

If to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

Any such addressee may change its address for such notices to such other address in the United States as such addressee shall have specified by written notice given as set forth above. All periods of notice shall be measured from the deemed date of delivery.

A notice shall be deemed to have been given, delivered and received for the purposes of all Loan Documents upon the earliest

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of: (i) if sent by such certified or registered mail, on the third Business Day following the date of postmark, or (ii) if hand delivered at the specified address by such courier or over night delivery service, when delivered or tendered for delivery during customary business hours on a Business Day, or (iii) if so mailed, on the date of actual receipt as evidenced by the return receipt, or (iv) if so delivered, upon actual receipt, or (v) if facsimile transmission is a permitted means of giving notice, upon receipt during customary business hours on a Business Day as evidenced by confirmation.

11.2 Limitations on Assignment. Borrower may not assign this Revolving Credit Agreement or the monies due thereunder without the prior written consent of Lender in each instance.

11.3 Further Assurances. Borrower shall upon request from Lender from time to time execute, seal, acknowledge and deliver such further instruments or documents which Lender may reasonably require to better perfect and confirm its rights and remedies hereunder, under the Note and under each of the other Loan Documents,

11.4 Parties Bound. The provisions of this Revolving Credit Agreement and of each of the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except as otherwise prohibited by this Revolving Credit Agreement or any of the other Loan Documents.

This Revolving Credit Agreement is a contract by and between Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against either Lender or Borrower by virtue of any provision hereof.

11.5 Waivers, Extensions and Releases. Lender may at any time and from time to time waive any one or more of the conditions contained herein or in any of the other Loan Documents, but any such waiver, extension or release shall be deemed to be made in pursuance and not in modification hereof, and any such waiver in any instance, or under any particular circumstance, shall not be considered a waiver of such condition in any other instance or any other circumstance.

11.6 Governing Law; Consent to Jurisdiction; Mutual Waiver of Jury Trial.

11.6.1 Substantial Relationship. It is understood and agreed

that all of the Loan Documents were negotiated, executed and delivered in the Commonwealth of Massachusetts the parties agree has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

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11.6.2 Place of Delivery. Borrower agrees to furnish to Lender at the Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

11.6.3 Governing Law. This Revolving Credit Agreement and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

11.6.4 Consent to Jurisdiction. Borrower hereby consents to personal jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

11.6.5 Jury Trial Waiver. BORROWER AND LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS REVOLVING CREDIT AGREEMENT, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO THE TRANSACTIONS CONTEMPLATED HEREBY.

11.7 Survival. All representations, warranties, covenants and agreements of Borrower, or Guarantor, herein or in any other Loan Document, or in any notice, certificate, or other paper delivered by or on behalf of Borrower or Guarantor pursuant hereto are significant and shall be deemed to have been relied upon by Lender notwithstanding any investigation made by Lender or on its behalf and shall survive the delivery of the Loan Documents and the establishment of the Facility and each advance pursuant thereto. No review by Lender, or by its representatives, of any opinion letters, certificates from professionals or other item of any nature shall relieve Borrower or anyone else of any of the obligations, warranties or representations made by or on behalf of Borrower or Guarantor, or any one or more of them, under any one or more of the Loan Documents.

11.8 Cumulative Rights. All of the rights of Lender hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole good faith judgment.

11.9 Claims Against Lender.

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11.9.1 Borrower Must Notify. Lender shall not be in default under this Revolving Credit Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, with reasonable promptness thereafter. Such actual knowledge or actual notice shall refer to what was actually known by, or expressed in a written notification furnished to, any of the persons or officials referred to in Exhibit C as Authorized Representatives.

11.9.2 Remedies. If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Lender has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, Lender's responsibilities shall be limited to: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of a Loan Document, the obligation to grant such consent or give such approval and to pay Borrower's reasonable costs and expenses including, without limitation, reasonable attorneys, fees and disbursements in connection with such court proceedings; and (ii) the case of any such failure to grant such consent or give such approval, or in the case of any other such default by Lender, where it is also so determined that Lender acted in bad faith, or that Lender's default constituted gross

negligence or willful misconduct, the payment of any actual, direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

11.9.3 Limitations. In no event, however, shall Lender be liable to Borrower or to Guarantor or anyone else for other damages such as, but not limited to, indirect, speculative or punitive damages whatever the nature of the breach by Lender of its obligations under this Revolving Credit Agreement or under any of the other Loan Documents. In no event shall Lender be liable to Borrower or to Guarantor or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within the time period specified above.

11.10 Obligations Absolute. Except to the extent prohibited by applicable law which cannot be waived, the Obligations of Borrower and the obligations of the Guarantor under the Loan Documents shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the

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terms of the Loan Documents under all circumstances whatsoever, including, without limitation, the existence of any claim, set off, defense or other right which Borrower or any Guarantor may have at any time against Lender whether in connection with the Facility or any unrelated transaction.

11.11 Table of Contents, Title and Headings. Any Table of Contents, the titles and the headings of sections are not parts of this Revolving Credit Agreement or any other Loan Document and shall not be deemed to affect the meaning or construction of any of their provisions.

11.12 Counterparts. This Revolving Credit Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of such loan agreement is sought.

11.13 Satisfaction of Commitment. The establishment of the Facility being made pursuant to the terms hereof and of the other Loan Documents is being made in satisfaction of Lender's obligations under the Commitment dated as of October 14, 1997. The terms, provisions and conditions of this Revolving Credit Agreement and the other Loan Documents supersede the provisions of the Commitment.

11.14 Right to Sell. Lender shall have the unrestricted right at any time or from time to time, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), subject to the Borrower's prior written approval as to the identity and number, such approval not to be unreasonably withheld, and Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Revolving Credit Agreement and to any other documents, instruments and agreements executed in connection herewith (provided such amendments do not increase Borrower's obligations or reduce or restrict Borrower's rights) as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the Note held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and

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written notice from the Lender to the Borrower of the effectiveness of such assignment, such Assignee shall be a party to this Revolving Credit Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligations hereunder and thereunder to a corresponding extent. Borrower shall be responsible for all fees and expenses incurred by Lender or any Assignee relating to an increase in the availability under the Facility and/or extension of the Maturity Date (as defined in the Note) of the Facility. Notwithstanding the rights and obligations granted to the Assignee, Lender shall act as sole agent for the Assignee's in connection with the Facility and Borrower shall continue to deal solely and

directly with Lender in connection with Lender's and Assignee's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

11.15 Right to Participate. Lender shall have the unrestricted right at any time and from time to time, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in Lender's obligation to lend hereunder and/or any or all of the loans held by Lender hereunder. In the event of any such grant by Lender of a participating interest to a Participant, whether or not upon notice to Borrower, Lender shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

Lender may furnish any information concerning Borrower in its possession from time to time to prospective Assignees and Participants, provided that Lender shall require any such prospective Assignee or Participant to agree in writing to maintain the confidentiality of such information.

11.16 Time Of the Essence. Time is of the essence of each provision of this Revolving Credit Agreement and each other Loan Document.

11.17 No Oral Change. This Revolving Credit Agreement and each of the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought (except no such writing shall be required for any party which, pursuant to a specific provision of any Loan Document, is required to be bound by changes without such party's assent). In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealings or the like be effective to amend, terminate,

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extend or otherwise modify this Revolving Credit Agreement or any of the other Loan Documents.

11.18 Monthly Statements. While Lender may issue invoices or other statements on a monthly or periodic basis (a "Statement"), it is expressly acknowledged and agreed that: (i) the failure of Lender to issue any Statement on one or more occasions shall not affect Borrower's obligations to make payments under the Loan Documents as and when due; (ii) the inaccuracy of any Statement shall not be binding upon Lender and so Borrower shall always remain obligated to pay the full amount(s) required under the Loan Documents as and when due notwithstanding any provision to the contrary contained in any Statement; (iii) all Statements are issued for information purposes only and shall never constitute any type of offer, acceptance, modification, or waiver of the Loan Documents or any of Lender's rights or remedies thereunder; and (iv) in no event shall any Statement serve as the basis for, or a component of, any course of dealing, course of conduct, or trade practice which would modify, alter, or otherwise affect the express written terms of the Loan Documents.

11.19 Exculpation. The Loan Documents have been negotiated, executed and delivered on behalf of the Borrower by its Authorized Representatives or by the Guarantor, in its capacity as the Borrower's sole general partner, or officers thereof in their representative capacity and not individually, and bind only the Borrower and Guarantor and no employee, agent, officer, partner or shareholder ("Exculpated Party") of the Borrower or Guarantor shall be bound or held to any personal liability in connection with the Obligations of the Borrower or Guarantor thereunder, and any person or entity dealing with the Borrower in connection therewith shall look solely to the Borrower and the Guarantor for the payment of any claim or for the performance of any obligation thereunder.

IN WITNESS WHEREOF this Revolving Credit Agreement has been duly executed and delivered as a sealed instrument.

BORROWER:

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: /s/ Stanley K. Tanger

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Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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LENDER:

FLEET NATIONAL BANK

By: /s/ Aron D. Levine

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Name: Aron D. Levine

Title: Vice-President

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EXHIBITS:

Exhibit A	-	Definitions
Exhibit B	-	Ownership Interests and Taxpayer Identification Numbers
Exhibit C	-	Authorized Representatives
Exhibit D	-	Certificate of Compliance

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EXHIBIT A TO REVOLVING CREDIT AGREEMENT

DEFINITIONS

Account as defined in Section 7.8.

Adjusted Unencumbered Asset Value shall mean, as of the Calculation Date, the sum of (A) plus (B):

"(A)" shall mean the sum of:

(i) 100% of Borrower's unrestricted operating cash and equivalents; plus

(ii) cost value of Projects Under Development which are included in Unencumbered Assets; plus

(iii) cost value of New Developments which are included in Unencumbered Assets.

"(B)" shall mean

(i) (x) an amount equal to Unencumbered EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the Unencumbered EBITDA of any dispositions during the subject fiscal quarter of Unencumbered Assets owned by the Borrower and (2) to deduct Unencumbered EBITDA for any Projects Under Development and New Developments which are included in Unencumbered Assets, each of which adjustments must be approved by the Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned the gross leasable area of Unencumbered Assets (excluding Projects Under Development and New Developments which are included in Unencumbered Assets); divided by

(ii) 0.10.

Advance(s) as defined in Section 2.1.

Authorized Representatives as defined in Section 4 and listed on Exhibit C.

Borrower as defined in the Preamble.

Business Day shall mean: any day of the year on which offices of Fleet National Bank are not required or authorized by law to be closed for business in Boston, Massachusetts. If any day on which a payment is due is not a Business Day, then the payment

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shall be due on the next day following which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no

"February 30th"), the payment shall be due on the last Business Day of the calendar month.

Calculation Date shall mean the last day of each calendar quarter commencing with December 31, 1997.

Certificate of Compliance as defined in Section 7.2.2.

Debt Service shall mean, as of the Calculation Date, the sum of all principal and interest payments due on all loan obligations of the Borrower for such period, exclusive of balloon maturity payments.

Dollars shall mean lawful money of the United States.

EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied and excluding earnings attributable to any project in which the Borrower owns a minority interest and any extraordinary gains or losses.

Environmental Legal Requirements shall mean all applicable past (which have current effect), present or future (which have effect during the term of the Facility) federal, state, county and local laws, rules, regulations, codes and ordinances, or any judicial or administrative interpretations thereof, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, without limitation, all orders, decrees, judgments, rulings, requirements, directives or notices of violation, imposed through any public or private enforcement proceedings, that create one or more duties, obligations, responsibilities or liabilities on the Borrower with respect to the existence, use, storage, treatment, discharge, release, containment, transportation, generation manufacture, refinement, handling, production, disposal or management of any Hazardous Materials, or otherwise regulating or providing for the protection of the environment, and further including, without limitation the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. ss.9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. ss.1801 et seq.), the Public Health Service Act (42 U.S.C. ss.300(f) et seq.), the Pollution Prevention Act (42 U.S.C. ss.13101 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 5136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. ss.6901 et seq.), the Federal Clean Water Act (33 U.S.C. ss.1251 et seq.), the Federal Clean Air Act (42 U.S.C. ss.7401 et seq.).

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ERISA and ERISA Plan each as defined in Section 6.9.

Event of Default as defined in Section 9.

Facility is defined in Section 1.3.

Fair Market Minimum Net Worth shall mean, as of the Calculation Date, the Borrower's Total Adjusted Asset Value less Total Liabilities.

Funds From Operations shall be as currently defined by NAREIT.

GAAP shall mean generally accepted accounting principles.

Guaranty shall mean the unconditional, continuing guaranty from Guarantor guaranteeing payment of the Facility, and performance of all Borrower's Obligations under the Loan Documents.

Guarantor as defined in Section 1.4.

Hazardous Materials shall mean and include asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls, radioactive substances, other carcinogens, oil and other petroleum products, pollutants or contaminants that could be a detriment to the environment, and any other hazardous or toxic materials, wastes, or substances in quantities which are defined, determined or identified as such in any Environmental Legal Requirement.

Indebtedness shall mean all obligations, contingent and otherwise in respect of (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all liabilities under capitalized leases; and (d) all guarantees, endorsements and other contingent obligations whether direct or indirect in respect of indebtedness of others, including the obligations to reimburse the issuer in respect of any letters of credit.

Indemnified Party as defined in Section 7.11.

Legal Requirements shall mean all applicable federal, state, county and local laws, rules, regulations, codes and ordinances, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, but not limited to, those applicable to zoning, subdivision, building, health, fire, safety, sanitation, the protection of the handicapped, and environmental matters and shall also include all orders and directives of any court, governmental agency or authority having or claiming jurisdiction as to the Borrower with respect thereto.

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Lender as defined in the Preamble.

Leverage shall mean, as of the Calculation Date, the ratio of Total Liabilities to Total Adjusted Asset Value.

Liabilities shall mean all Indebtedness and all other liabilities that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto.

Licenses and Permits shall mean all licenses, permits, authorizations and agreements issued by or agreed to by any governmental authority, and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as may be required pursuant to Legal Requirements which may be applicable to the Portfolio Properties.

Limited Partnership Agreement shall mean that certain limited partnership agreement of the Borrower dated as of December 16, 1993.

Loan Documents as defined in Section 3.

Maturity shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

Maturity Date as defined in the Note.

Maximum Commitment Amount as defined in Section 2.3.

NAREIT means the National Association of Real Estate Investment Trusts.

New Development shall mean, as of the Calculation Date, (x) any Project which was a Project Under Development during the prior quarterly reporting period and as to which conditions (i), (ii) and (iii) as provided for in the definition of Projects Under Development have been satisfied, and (y) any project acquired during the subject fiscal quarter, such project(s) being a New Development only for the subject quarterly reporting period.

Obligations as defined in Section 3.

Projects Under Development shall mean, as of the Calculation Date, any project under development by the Borrower (i) classified as construction in progress on the Borrower's quarterly financial statements; or (ii) as to which a certificate of occupancy has not been issued; or (iii) as to which a minimum of 70% of total gross leasable area has not been leased and occupied by paying tenants.

Prime Rate as defined in the Note.

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Projects shall mean any and all properties of the Borrower having buildings with a gross leaseable area in excess of 50,000 sq. ft.

Revolving Credit Agreement as defined in the Preamble.

Secured Indebtedness shall mean any Indebtedness of the Borrower secured by any encumbrance or by any security interest, lien, privilege, or charge on any real or personal property.

Statement as defined in Section 11.18.

Termination Date shall mean the earlier of (x) the occurrence of an Event of Default, or (y) the payment in full of Advances outstanding under the Facility and the termination of the Borrower's right to request Advances under the Facility, or (z) the Maturity Date.

Total Adjusted Asset Value shall mean, as of the Calculation Date, (A) plus (B) in which:

"(A)" shall mean the sum of:



(i) unrestricted cash and cash equivalents (excluding any tenant deposits); plus

(ii) cost value of Projects Under Development; plus

(iii) cost value of New Developments.

"(B)" shall mean:

(i) (x) an amount equal to EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the EBITDA of any dispositions during the subject fiscal quarter of projects owned by the Borrower and (2) to deduct EBITDA for any Projects Under Development or New Developments, each of which adjustments must be approved by Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned gross leasable area (excluding Projects Under Development and New Developments); divided by

(ii) 0.10.

Total Liabilities shall mean, as of the Calculation Date, the sum, after eliminating intercompany items, of all Liabilities (including, without limitation, deferred taxes) other than those liabilities relating to projects in which the Borrower owns a

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minority interest, of the Borrower determined in accordance with GAAP.

Total Outstanding Unsecured Indebtedness shall mean, as of the Calculation Date, all unsecured Indebtedness of the Borrower outstanding as of the end of such fiscal quarter, other than trade indebtedness incurred in the ordinary course of business.

Total Variable Rate Indebtedness shall mean, as of the Calculation Date, all Indebtedness as to which interest accrues or is payable at a variable interest rate, exclusive of any such Indebtedness as to which the Borrower has obtained a fixed rate interest hedge.

Unencumbered Assets shall mean real property that is wholly-owned by the Borrower or by a partnership in which the Borrower is the sole general partner that is not subject to a mortgage lien or to any agreement with any other lender that prohibits the creation of a lien on such property.

Unencumbered EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization on all Unencumbered Assets, all determined in accordance with GAAP consistently applied and excluding any extraordinary gains or losses with respect to Unencumbered Assets.

Yield Maintenance Prepayment Fee as defined in the Note.

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#### EXHIBIT B TO REVOLVING CREDIT AGREEMENT

##### OWNERSHIP INTERESTS AND TAXPAYER IDENTIFICATION NUMBERS

Borrower: Tanger Properties Limited Partnership  
Tax ID 56-1822494

Owners:

General Partners: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Limited Partner: Tanger Family Limited Partnership

Guarantor: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Owners: New York Stock Exchange Traded Public Company

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## EXHIBIT C TO REVOLVING CREDIT AGREEMENT

## AUTHORIZED REPRESENTATIVES

As of the date hereof:

Stanley K. Tanger  
 Frank C. Marchisello, Jr.  
 Rochelle G. Simpson  
 Virginia R. Summerell

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## EXHIBIT D

## CERTIFICATE OF COMPLIANCE

Date: \_\_\_\_\_

To: Fleet National Bank  
 75 State Street  
 Boston, Massachusetts

Re: Certificate of Compliance  
 Calculation Date: \_\_\_\_\_

Pursuant to Section 7.2.2 of the Revolving Credit Agreement (the "Revolving Credit Agreement") dated as of December 18, 1997 by and between Tanger Properties Limited Partnership (the "Borrower") and Fleet National Bank (the "Bank"), the undersigned hereby certifies: (i) to the best of the undersigned's knowledge, the information provided on the accompanying Financial Statements are true and accurate in all material respects; (ii) the Borrower is in compliance with the Financial Covenants contained in the Revolving Credit Agreement to the extent set forth below; (iii) to the best of the undersigned's knowledge, an Event of Default has not occurred and is continuing under the Revolving Credit Agreement.

All capitalized terms not otherwise defined herein shall have the same meaning as defined in the Revolving Credit Agreement, as applicable.

I. COVENANT COMPLIANCE. All calculations to support the information set forth in the "Actual" column below are attached hereto and are based upon the accompanying Financial Statements.

COVENANT	REQUIREMENT	ACTUAL
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Fair Market Minimum Net Worth	\$175,000,000.00	
Total Liabilities to Total Adjusted Asset Value	Not to exceed 60%	
Secured Indebtedness to Total Adjusted Asset Value.	Not to exceed 40%	
EBITDA to Debt Service	Equal to or in excess of 2.0:1.0	

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Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value	Not to exceed 60%	
Unencumbered EBITDA TO Total Outstanding Unsecured Indebtedness	Equal to or in excess of 2.25: 1.0	
Distributions	Will not exceed Funds From	

Operations

Projects Under Development to Total Adjusted Asset Value Not to exceed 25%

Undeveloped Land Holdings to Total Adjusted Asset Value Not to exceed 15%

Total Variable Rate Indebtedness to Total Adjusted Asset Value Not to exceed 20%

II. LEVERAGE CALCULATION

1. Total Liabilities.....
2. Total Adjusted Asset Value.....
3. Total Liabilities/Total Asset Value.....

The undersigned certifies that the information provided herein is true and accurate, to the best of its knowledge.

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Financial Officer

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PROMISSORY NOTE

25,000,000.00

As of December 18, 1997

1. Promise To Pay.

FOR VALUE RECEIVED, TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") promises to pay to the order of FLEET NATIONAL BANK, a national banking association, having an address at 75 State Street, Boston, Massachusetts 02109 ("Lender"), the principal sum of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS, or so much thereof as may be advanced, with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, on each advance from the date of its disbursement until such principal sum shall be fully paid. Interest shall be payable in installments as set forth in Section 4 below. The total principal sum, or the amount thereof outstanding, together with any accrued but unpaid interest, shall be due and payable in full on January 15, 2000 ("Maturity Date"), which term is further defined in, and is subject to acceleration in accordance with, the Revolving Credit Agreement pursuant to which this Note has been issued.

2. Revolving Credit Agreement.

This Note is issued pursuant to the terms, provisions and conditions of an agreement captioned "Revolving Credit Agreement" dated as of even date between Borrower and Lender and evidences the Facility and Advances made pursuant thereto. Capitalized terms used herein which are not otherwise specifically defined shall have the same meaning herein as in the Revolving Credit Agreement.

3. Interest Rates.

3.1. Borrower's Options. Principal amounts outstanding under the Facility shall bear interest at the following rates, at Borrower's selection, subject to the conditions and limitations provided for in this Note: (i) Variable Rate or (ii) Eurodollar Rate.

3.1.1 Selection To Be Made. Borrower shall select, and thereafter may change the selection of, the applicable interest rate, from the alternatives otherwise provided for in this Note, by giving Lender a Notice of Rate

Selection: (i) prior to each Advance, or (ii) prior to the end of each Interest Period applicable to a Eurodollar Advance, or (iii) on any Business Day on which Borrower desires to convert an outstanding Variable Rate Advance to a Eurodollar Advance.

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3.1.2 Notice. A "Notice of Rate Selection" shall be a written notice, given by cable, tested telex, telecopier (with authorized signature), or by telephone if immediately confirmed by such a written notice, from an Authorized Representative of Borrower which: (i) is irrevocable; (ii) is received by Lender not later than 12:00 o'clock Noon Eastern Time: (a) if a Eurodollar Rate is selected, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply, (b) if a Variable Rate is selected, on the first day of the Interest Period to which it applies; and (iii) as to each selected interest rate option, sets forth the aggregate principal amount(s) to which such interest rate option(s) shall apply and the Interest Period(s) applicable to each Eurodollar Advance.

3.1.3 If No Notice. If Borrower fails to select an interest rate option in accordance with the foregoing prior to an Advance, or prior to the last day of the applicable Interest Period of an outstanding Eurodollar Advance, or if a Eurodollar Advance is not available, any new Advance made shall be deemed to be a Variable Rate Advance, and on the last day of the applicable Interest Period all outstanding principal amounts shall be deemed converted to a Variable Rate Advance.

3.2. Telephonic Notice. Without any way limiting Borrower's obligation to confirm in writing any telephonic notice, Lender may act without liability upon the basis of telephonic notice believed by Lender in good faith to be from an Authorized Representative of the Borrower prior to receipt of written confirmation. In each case Borrower hereby waives the right to dispute Lender's record of the terms of such telephonic Notice of Rate Selection.

3.3. Limits On Options, Selections Per Month. Each Eurodollar Advance shall be in a minimum amount of \$1,000,000 . At no time shall there be outstanding a total of more than five (5) Eurodollar Advances combined at any time. If Borrower shall make more than three (3) Eurodollar Rate selections in any thirty (30) day period, excluding conversions of outstanding advances made at the end of an applicable Interest Period of any previously outstanding Eurodollar Advance, Lender may impose and Borrower shall pay a reasonable processing fee for each such additional selection.

#### 4. Payment of Interest and Principal.

4.1. Payment and Calculation of Interest. All interest shall be: (a) payable in arrears commencing January 15, 1998 and on the same day of each month thereafter until the principal together with all interest and other charges payable with respect to the Facility shall be fully paid; and (b) calculated on the basis of a 360 day year and the actual number of days elapsed. Each change in the Prime Rate shall simultaneously change the Variable Rate payable under this Note. Interest at the Eurodollar Rate shall be computed

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from and including the first day of the applicable Interest Period to, but excluding, the last day thereof.

4.2. Principal. The entire principal balance shall be due and payable in full upon Maturity.

4.3. Prepayment. The Facility or any portion thereof may be prepaid in full or in part at any time upon three (3) days, prior written notice to the holder of this Note without premium or penalty with respect to Variable Rate Advances and, with respect to Eurodollar Advances subject to a Yield-Maintenance Fee. Any partial prepayment of principal shall first be applied to any installment of principal then due and then be applied to the principal due in the reverse order of maturity, and no such partial prepayment shall relieve Borrower of the obligation to pay each subsequent installment of principal when due.

4.4. Maturity. At maturity all accrued interest, principal and other charges due with respect to the Facility shall be due and payable in full and the principal balance and such other charges, but not unpaid interest, shall continue to bear interest at the Default Rate until so paid.

4.5. Method of Payment; Date of Credit. All payments of interest, principal and fees shall be made in lawful money of the United States in immediately available funds: (a) by direct charge to an account of Borrower

maintained with Lender (or the then holder of this Note), or (b) by wire transfer to Lender or (c) to such other bank or address as the holder of this Note may designate in a written notice to Borrower. Payments shall be credited on the Business Day on which immediately available funds are received prior to one o'clock P.M. Eastern Time; payments received after one o'clock P.M. Eastern Time shall be credited to the Facility on the next Business Day. Payments which are by check, which Lender may at its option accept or reject, or which are not in the form of immediately available funds shall not be credited to the Facility until such funds become immediately available to Lender, and, with respect to payments by check, such credit shall be provisional until the item is finally paid by the payor bank.

4.6. Billings. Lender may submit monthly billings reflecting payments due; however, any changes in the interest rate which occur between the date of billing and the due date may be reflected in the billing for a subsequent month. Neither the failure of Lender to submit a billing nor any error in any such billing shall excuse Borrower from the obligation to make full payment of all Borrower's payment obligations when due, however, if Borrower makes timely payment as specified in any such billing, the Borrower shall not be in default under the terms of this Note or any of the other Loan Documents due to the failure to pay any additional amount owed as reflected in any corrected billing (the "Additional Payment Amount"), unless the Borrower fails to pay the Additional Payment

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Amount within the grace period provided for in the Revolving Credit Agreement from the date on which the Borrower obtains knowledge of such error.

4.7. Default Rate. Lender shall have the option of imposing, and Borrower shall pay upon billing therefor, an interest rate which is four percent (4%) per annum above the interest rate otherwise payable ("Default Rate"): (a) while any monetary Default exists and is continuing, during that period between the due date and the date of payment; (b) following any Event of Default, unless and until the Event of Default is waived by Lender; and (c) after Maturity. Borrower's right to select pricing options shall cease upon the occurrence of a monetary Default or following any Event of Default.

4.8. Late Charges. Borrower shall pay, upon billing there for, a "Late Charge" equal to three percent (3%) of the amount of any payment of principal, other than principal due at Maturity, interest, or both, which is not paid within ten (10) days of the due date thereof. Late charges are: (a) payable in addition to, and not in limitation of, the Default Rate, (b) intended to compensate Lender for administrative and processing costs incident to late payments, (c) are not interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

4.9. Calculation of Yield Maintenance.

(i) The Yield Maintenance Fee due in accordance with Section 4.3 shall be calculated separately for each Eurodollar Advance prepaid prior to the expiration of the applicable Interest Period in accordance with the following:

(A) if the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is greater than the applicable Eurodollar Rate, there shall be no Yield Maintenance Fee payable for such installment or balance.

(B) If the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is less than the applicable Eurodollar Rate, the Yield Maintenance Fee shall equal the aggregate of all Present Values, computed separately for each such Eurodollar Advance having a separate Interest Period, of the product of:

1. the amount of each Eurodollar Advance prepaid, multiplied by
2. the amount by which the Eurodollar Rate, expressed as a percentage, exceeds the Treasury Rate, expressed as a percentage, computed separately for each

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Eurodollar Advance having a different Interest Period, and

3. which product in turn shall be multiplied by a fraction, computed separately for each Eurodollar Advance having a different Interest Period, the numerator of which is

the number of days from the date of prepayment to the last day of the applicable Interest Period and the denominator of which is 360.

(ii) The Yield Maintenance Fee shall be payable in respect of all prepayments of Eurodollar Advances whether voluntary or involuntary including, without limitation, prepayments made upon acceleration of the Facility.

(iii) once written notice of intention to prepay is given, the Facility, or the applicable portion thereof, shall become due and payable in full on the date specified in the notice of prepayment and the failure to so prepay on such date, together with any applicable Yield Maintenance Fees computed in accordance with Section 4.9(i), above, shall constitute an Event of Default.

## 5. Certain Definitions and Provisions Relating To Interest Rate.

5.1. Adjusted LIBOR Rate. The term "Adjusted LIBOR Rate" means for each Interest Period the rate per annum obtained by dividing (i) the LIBOR Rate for such Interest Period, by (ii) a percentage equal to one hundred percent (100%) minus the maximum reserve percentage applicable during such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirements (including, without limitation, any basic, supplemental, marginal and emergency reserve requirements) for Lender (or of any subsequent holder of this Note which is subject to such reserve requirements, provided such reserve percentage for such subsequent holder is not greater than the reserve percentage of Fleet National Bank) in respect of liabilities or assets consisting of or including Eurocurrency liabilities. (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) having a term equal to the Interest Period.

5.2. Applicable Increment. The term "Applicable Increment" means the additional amount of basis points added to the Adjusted LIBOR Rate for purposes of determining the Eurodollar Rate for any applicable Interest Period. The "Applicable Increment" shall be determined for each Interest Period on the first day of such Interest Period as follows:

(A) If the Leverage is greater than or equal to fifty (50%) percent, the Applicable Increment shall be one hundred and seventy five (175) basis points;

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(B) If the Leverage is less than fifty (50%) percent, but greater than forty (40%) percent, the Applicable Increment shall be one hundred and sixty (160) basis points; and

(C) If the Leverage is less than or equal to forty (40%) percent, the Applicable Increment shall be one hundred and fifty (150) basis points.

Leverage shall be determined as of the last Calculation Date as to which the Lender (i) has received a Certificate of Compliance and (ii) has provided Borrower with the Interest Rate Notice.

5.3. Banking Day. The term "Banking Day" means a day on which banks are not required or authorized by law to close in the city in which Lender's principal office is situated.

5.4. Business Day; Same Calendar Month. For purposes of this Note, the term "Business Day" means any Banking Day and, if the applicable Business Day relates to the selection or determination of any Eurodollar Rate, any London Banking Day. If any day on which a payment is due is not a Business Day, then the payment shall be due on the next day following which is a Business Day, unless, with respect to Eurodollar Advances, the effect would be to make the payment due in the next calendar month, in which event such payment shall be due on the next preceding day which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no "February 30th"), the payment shall be due on the last Business Day of the calendar month.

5.5. Dollars. The term "Dollars" or "\$" means lawful money of the United States.

5.6. Eurodollar Advance. The term "Eurodollar Advance" means any principal outstanding under this Note which pursuant to this Note bears interest at the Eurodollar Rate.

5.7. Eurodollar Rate. The term "Eurodollar Rate" means the per annum rate equal to the Adjusted LIBOR Rate plus an the Applicable Increment.

#### 5.8. Interest Period.

(A) The term "Interest Period" means with respect to each Eurodollar Advance: a period of one (1), two (2), three (3), four (4), or six (6) consecutive months, subject to availability, as selected, or deemed selected, by Borrower at least two (2) Business Days prior to an Advance, or if an Advance is already outstanding, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply. Each such Interest Period shall commence on the Business Day so selected, or

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deemed selected, by Borrower and shall end on the numerically corresponding day in the first, second, third, fourth, or sixth month thereafter, as applicable. Provided, however: (i) if there is no such numerically corresponding day, such Interest Period shall end on the last Business Day of the applicable month, (ii) if the last day of such an Interest Period would otherwise occur on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; but (iii) if such extension would otherwise cause such last day to occur in a new calendar month, then such last day shall occur on the next preceding Business Day.

(B) The term "Interest Period" shall mean with respect to each Variable Rate Advance consecutive periods of one (1) day each.

(C) No Interest Period may be selected which would end beyond the then Maturity Date of the Facility. If the last day of an Interest Period would otherwise occur on a day which is not a Business Day, such last day shall be extended to the next succeeding Business Day, except as provided above in clause (A) relative to a Eurodollar Advance.

5.9. Interest Rate Notice. The term "Interest Rate Notice" shall mean written notice delivered by the Lender to the Borrower after receipt of the Certificate of Compliance setting forth the Applicable Increment for Advances made thereafter and until delivery of the next Interest Rate Notice; provided, however, if the Lender does not provide the Borrower within five (5) Business Days of the receipt of any such Certificate of Compliance either the Interest Rate Notice or a written objection to the calculation of Leverage as provided therein, the Applicable Increment shall be determined based upon the calculations included in such Certificate of Compliance.

5.10. LIBOR Rate. The term "LIBOR Rate" means, with respect to each Interest Period, the rate of interest, expressed as an annual rate, equal to the simple average, rounded up to the nearest 1/16 of 1%, of the rates shown on the display referred to as the "Telerate Page 3750" (or any display substituted therefor) of the Dow Jones Telerate Service as being the respective rates at which deposits in Dollars would be offered by the principal London offices of each of the banks named thereon to major banks in the London interbank market at approximately 11:00 A.M. (London time) on the second London Banking Day before the first day of such Interest Period for a period substantially coextensive with such Interest Period.

5.11. London Banking Day. The term "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

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5.12. Maturity. The term "Maturity" shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

5.13. Maturity Date. The term "Maturity Date" shall mean January 15, 2000.

5.14. Present Value. The term "Present Value" means the value at the last day of the applicable Interest Period discounted to the date of prepayment using the Treasury Rate.

5.15. Prime Rate. The term "Prime Rate" means the per annum rate of interest so designated from time to time by Lender as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

5.16. Treasury Rate. The term "Treasury Rate, means, as of the date of any calculation or determination, the latest published rate for United States Treasury Notes or Bills (but the rate on Bills issued on a discounted basis

shall be converted to a bond equivalent) as published weekly in the Federal Reserve Statistical Release H.15(519) of Selected Interest Rates in an amount which approximates (as determined by Lender) the amount prepaid and with a maturity closest to the last day of the applicable Interest Period as to the Eurodollar Advance which is prepaid in whole or in part.

5.17. Variable Rate. The term "Variable Rate" means a per annum rate equal at all times to the Prime Rate less twenty five (25) basis points, with changes therein to be effective simultaneously with any change in the Prime Rate.

5.18. Variable Rate Advance. The term "Variable Rate Advance" means any principal amount outstanding under this Note which pursuant to this Note bears interest at the Variable Rate.

6. Additional Provisions Related to Interest Rate Selection.

6.1. Increased Costs. If, due to any one or more of: (i) the introduction of any applicable law or regulation or any change (other than any change by way of imposition or increase of reserve requirements already referred to in the definition of Eurodollar Rate) in the interpretation or application by any authority charged with the interpretation or application thereof of any law or regulation; or (ii) the compliance with any guideline or request from any governmental central bank or other governmental authority (whether or not having the force of law), there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Eurodollar Advances, including without limitation changes which affect or would affect the amount of capital or reserves required or expected to be maintained by

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Lender, with respect to all or any portion of the Facility, or any corporation controlling Lender, on account thereof, then Borrower from time to time shall, upon written demand by Lender, either (x) pay Lender additional amounts sufficient to indemnify Lender against the increased cost incurred, subject to the delivery of a certificate as to the amount of the increased cost and the reason therefor being submitted to Borrower by Lender, which in the absence of manifest error, shall be conclusive and binding for all purposes, or (y) convert the Eurodollar Advances to Variable Rate Advances (and pay to the Lender any applicable Yield Maintenance Fee, as provided herein).

6.2. Illegality. Notwithstanding any other provision of this Note, if the introduction of or change in or in the interpretation of any law, treaty, statute, regulation or interpretation thereof shall make it unlawful, or any central bank or government authority shall assert by directive, guideline or otherwise, that it is unlawful, for Lender to make or maintain Eurodollar Advances or to continue to fund or maintain Eurodollar Advances then, on written notice thereof and demand by Lender to Borrower, (a) the obligation of Lender to make Eurodollar Advances and to convert or continue any Advances as Eurodollar Advances shall terminate and (b) Borrower shall convert all principal outstanding under this Note into Variable Rate Advances.

6.3. Additional Eurodollar Conditions. The selection by Borrower of a Eurodollar Rate and the maintenance of Advances at such rate shall be subject to the following additional terms and conditions:

(i) Availability. If, before or after Borrower has selected to take or maintain a Eurodollar Advance, Lender notifies Borrower that:

(a) dollar deposits in the amount and for the maturity requested are not available to Lender in the London interbank market at the rate specified in the definition of LIBOR Rate set forth above, or

(b) reasonable means do not exist for Lender to determine the Eurodollar Rate for the amounts and maturity requested,

then the principal which would have been a Eurodollar Advance shall be a Variable Rate Advance.

(ii) Payments Net of Taxes. All payments and prepayments of principal and interest under this Note shall be made net of any taxes and costs the collection or payment of which is imposed on Borrower resulting from having principal outstanding at or computed with reference, to a Eurodollar Rate. Without limiting the generality of the preceding

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obligation, illustrations of such taxes and costs are taxes, or the withholding of amounts for taxes, of any nature whatsoever including income, excise, interest equalization taxes (other than United States or state income taxes) as well as all levies, imposts, duties or fees whether now in existence or as the result of a change in or promulgation of any treaty, statute, regulation, or interpretation thereof or any directive guideline or otherwise by a central bank or fiscal authority (whether or not having the force of law) or a change in the basis of, or the time of payment of, such taxes and other amounts resulting therefrom.

6.4. Variable Rate Advances. Each Variable Rate Advance shall continue as a Variable Rate Advance until Maturity, unless sooner converted, in whole or in part, to a Eurodollar Advance, subject to the limitations and conditions set forth in this Note.

6.5. Conversion of Other Advances. At the end of each applicable Interest Period, the applicable Eurodollar Advance shall be converted to a Variable Rate Advance unless Borrower selects another option in accordance with the provisions of this Note.

7. Acceleration; Event of Default.

At the option of the holder, this Note and the indebtedness evidenced hereby shall become immediately due and payable without further notice or demand, and notwithstanding any prior waiver of any breach or default, or other indulgence, upon the occurrence at any time of any one or more of the following events, each of which shall be an "Event of Default" hereunder and under the Revolving Credit Agreement and each other Loan Document: (i) an Event of Default as defined in the Revolving Credit Agreement as the same may from time to time hereafter be amended; or (ii) an event which pursuant to any express provision of the Revolving Credit Agreement, or of any other Loan Document, gives Lender the right to accelerate the Facility.

8. Certain Waivers, Consents and Agreements.

The Borrower and the Guarantor hereby agree and acknowledge that: (a) the Borrower (i) waives presentment, demand, protest, suretyship defenses and defenses in the nature thereof; (ii) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (iii) agrees to any substitution, exchange, release, surrender or other delivery of any security or collateral now or hereafter held hereunder or in connection with the Revolving Credit Agreement, or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (iv)

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agrees that if any security or collateral given to secure this Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Revolving Credit Agreement, or any of the other Loan Documents, shall be found to be unenforceable in full or to any extent, or if Lender or any other party shall fail to duly perfect or protect such collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (v) subject to the terms of the Revolving Credit Agreement, agrees to pay all costs and expenses incurred by Lender or any other holder of this Note in connection with the indebtedness evidenced hereby, including, without limitation, all attorneys' fees and costs, for the implementation of the Facility, the collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder or under the other Loan Documents, whether or not suit is instituted; and (vi) consents to all of the terms and conditions contained in this Note, and all other instruments now or hereafter executed evidencing or governing all or any portion of the security or collateral for this Note and for such Revolving Credit Agreement, or any one or more of the other Loan Documents, and (b) the Guarantor has waived certain rights as provided in a certain Guaranty Agreement dated as of the date hereof executed and delivered by the Guarantor to the Lender.

9. Delay Not A Bar.

No delay or omission on the part of the holder in exercising any right hereunder or any right under any instrument or agreement now or hereafter executed in connection herewith, or any agreement or instrument which is given or may be given to secure the indebtedness evidenced hereby or by the Revolving Credit Agreement, or any other agreement now or hereafter executed in connection herewith or therewith shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or of any other right on

any future occasion.

10. Partial Invalidity.

The invalidity or unenforceability of any provision hereof, of the Revolving Credit Agreement, of the other Loan Documents, or of any other instrument, agreement or document now or hereafter executed in connection with the establishment of the Facility made pursuant hereto and thereto shall not impair or vitiate any other provision of any of such instruments, agreements and documents, all of which provisions shall be enforceable to the fullest extent now or hereafter permitted by law.

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11. Compliance With Usury Laws.

All agreements between Borrower, the Guarantor and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof, provided, however, that in the event there is a change in the law which results in a lesser or higher maximum permissible rate of interest, then this Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Note to contract in strict compliance with the laws of the Commonwealth of Massachusetts from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity, and if under or from any circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower, the Guarantor and Lender.

12. Use of Proceeds.

All proceeds of the Facility shall be used solely for the purposes more particularly provided for and limited by the Revolving Credit Agreement.

13. Notices.

Any notices given with respect to this Note shall be given in the manner provided for in the Revolving Credit Agreement.

14. Governing Law and Consent to Jurisdiction.

14.1. Substantial Relationship. The parties agree that the Commonwealth of Massachusetts has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

14.2. Place of Delivery. Borrower agrees to furnish to Lender at Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

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14.3. Governing Law. This Note and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

14.4. Exceptions. Notwithstanding the foregoing choice of law provisions of Federal law and the law of the state in which a Portfolio Property lies shall apply in defining the terms Hazardous Materials, Hazardous Materials Legal Requirements, Environmental Legal Requirements and Legal Requirements applicable to the Portfolio Properties as such terms are used in the Revolving Credit Agreement, and the other Loan Documents.

14.5. Consent to Jurisdiction. Borrower hereby consents to personal

jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

15. Waiver of Jury Trial.

BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BETWEEN THE BORROWER AND THE LENDER BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS NOTE AND ESTABLISH THE FACILITY.

16. No Oral Change.

This Note and the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought. In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealing, or the like be effective to amend, terminate, extend or otherwise modify this Note or any of the other Loan Documents.

17. Rights of the Holder.

This Note and the rights and remedies provided for herein may be enforced by Lender or any subsequent holder hereof. Wherever the context permits each reference to the term "holder" herein shall mean and refer to Lender or the then subsequent holder of this Note.

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18. Right to Pledge.

Lender may at any time pledge all or any portion of its rights under the Loan Documents including any portion of this Note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release Lender from its obligations under any of the Loan Documents.

19. Setoff

Lender shall have the rights of set-off provided for in the Revolving Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date set forth above as a sealed instrument.

Witness: TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner,

- -----  
Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of December 18, 1997 (the "Guaranty"), is given by TANGER FACTORY OUTLET CENTERS, INC., a North Carolina corporation, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Guarantor"); and extended to FLEET NATIONAL BANK, national banking association, with its principal offices located at 75 State Street, Boston, Massachusetts 02109, (the "Lender") for the benefit of TANGER PROPERTIES LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of North Carolina, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Borrower").

RECITALS:

1. The Lender has agreed to establish, in accordance with the terms and provisions of, amongst other documents, a certain Revolving Credit Agreement of even date herewith (as amended, modified, renewed or extended from time to time, the "Revolving Credit Agreement") and a certain Promissory Note of even date (as amended, modified, renewed, or extended from time to time (the "Note"), a certain revolving credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used by the Borrower for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, and the repayment of any other indebtedness of the Borrower. All of the definitions used in the Note and the Revolving Credit Agreement are hereby incorporated herein by reference and shall have the meaning set forth in the Note and the Revolving Credit Agreement unless otherwise defined herein.

2. The Guarantor is the sole general partner of the Borrower.

3. Without this Guaranty the Lender would be unwilling to establish the Facility and make Advances thereunder to Borrower.

4. Because of the direct benefit to the Guarantor from the establishment of the Facility for the use of the Borrower, the Guarantor agrees to guarantee to the Lender the Obligations.

NOW THEREFORE, in consideration of the Lender entering into the Revolving Credit Agreement and establishing the Facility and making the Advances thereunder to the Borrower, and subject to the covenants and conditions of Section 20 below:

1. Guaranty of Payment. The Guarantor hereby unconditionally guarantees to the Lender the payment, when due, by acceleration or otherwise, of the Obligations. For the purposes hereof, the term "Obligations" shall have the meaning ascribed to it under the Revolving Credit Agreement and include, without limitation, Advances under the Facility, whether existing now or arising hereafter.

2. Guaranty of Performance. The Guarantor additionally unconditionally guarantees the Lender the timely performance of all other liabilities and obligations of the Borrower under the Revolving Credit Agreement and all of the Loan Documents.

In the event of the occurrence of an Event of Default as defined in the Revolving Credit Agreement relating to any of the foregoing conditions, and without the necessity of any notice from the Lender to the Guarantor, the Guarantor agrees to indemnify and hold the Lender harmless from any and all loss, cost, liability or expense the Lender may suffer by reason of any such event. The Lender shall accept performance by the Guarantor of the Obligations under the Revolving Credit Agreement and the Loan Documents, and so long as all of said Obligations are being performed by

the Borrower or the Guarantor and there is occurring no other Event of Default, the Lender will make the Facility proceeds available under the terms of the Revolving Credit Agreement, the Note, and the Loan Documents.

3. Subordination. Upon the occurrence and during the continuance of any Event of Default as defined in the Revolving Credit Agreement, no payments shall be made by Borrower or received by the Guarantor on any indebtedness, now or hereafter existing, of the Borrower to the Guarantor.

4. Waiver of Rights. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the Guarantor expressly waives and relinquishes to the fullest extent now or hereafter not prohibited by applicable law, with respect to the Obligations and the Loan Documents: (a) notice of acceptance of this Guaranty by the Lender and of all extensions of credit pursuant to the Revolving Credit Agreement, the Note, and the Loan Documents to the Borrower by the Lender; (b) presentment and demand for payment of any of the Obligations; (c) demand for payment under this Guaranty; (d) all suretyship defenses and defenses in the nature thereof, (e) any right or claim of right to cause a marshalling of the assets of the Borrower, or to cause Lender to proceed against any of the other security for the Obligations before proceeding under this Guaranty against the Guarantor, or if there shall be more than one guarantor, to require Lender to proceed against any other guarantor or any of such guarantors in any particular order, (f) notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, notice of dishonor, or any and all notice of nonpayment, nonperformance, nonobservance or default, or other proof or notice of demand whereby to charge Guarantor therefor; and (g) any right to assert against the Lender, as a defense, counterclaim, set-off, or cross-claim any defense (legal or equitable), set-off, counterclaim or claim which the Guarantor may now or hereafter have against the Lender or the Borrower. Such waiver shall not prevent the Guarantor from asserting against the Lender in a separate action, any claim, action cause of action, or demand that

the Guarantor might have arising out of this Guaranty or the Revolving Credit Agreement, the Note or any other Loan Documents, to the extent not arising out of a suretyship defense or any other claim otherwise waived pursuant to subparagraphs (a), (b), (c), (e), (f), or (g), above.

Guarantor and Lender (evidenced by the acceptance of this Guaranty) mutually hereby knowingly, voluntarily and intentionally waives the right to a trial by jury in respect of any litigation based on this Guaranty, arising out of, under or in connection with this Guaranty or any of the other Loan Documents or, in connection with this Guaranty, any course of conduct, course of dealings, statements, (whether verbal or written) or actions of any party. This waiver is given as a material inducement to Lender to accept this Guaranty and to establish the Facility.

5. Primary Liability of the Guarantor. The Guarantor agrees that this Guaranty may be enforced by the Lender. The Guarantor further agrees that nothing contained herein shall prevent the Lender, from suing on the Note or from exercising any other rights available to it under the Note, the Revolving Credit Agreement, or any other instrument evidencing the Obligations if neither the Borrower nor the Guarantor timely performs the Obligations, and the exercise of any of the aforesaid rights shall not constitute a discharge of any of the Guarantor's obligations hereunder, it being the purpose and intent of the Guarantor that the Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither the Guarantor's obligations under the Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of the Borrower or any co-guarantor or by reason of the Borrower's or any co-guarantor's bankruptcy or insolvency. The Guarantor acknowledges that the term "Obligations" as used herein includes any payments made by the Borrower to the Lender and subsequently recovered by the Borrower or a trustee for the Borrower pursuant to the Borrower's bankruptcy or insolvency. At any time the Lender is entitled to exercise its remedies hereunder, it may in its discretion elect

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to demand payment or performance. In the event the Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Obligations have been paid in full. In the event the Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Obligations have been paid in full.

6. No Impairment. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the liability of Guarantor hereunder shall in no way be limited or impaired by, and Guarantor hereby assents to and agrees to be bound by, any amendment or modification of the provisions of the Loan Documents to or with Lender by Borrower or any other Guarantor. In addition, the liability for the repayment of the Obligations to the Lender of Guarantor under this Guaranty and the other Loan Documents shall in no way be limited or impaired by:

- A. any extensions of time for performance required by any of the Loan Documents;
- B. any amendment to or modification of any of the Loan Documents;
- C. any sale or assignment of the Loan;
- D. the accuracy or inaccuracy of any of the representations or warranties made by or on behalf of Borrower, any general partner of Borrower, or Guarantor, under any Loan Document or otherwise;
- E. the release of Borrower, or any other person or entity, from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, Lender's voluntary act, or otherwise;
- F. the filing of any bankruptcy or reorganization proceeding by or against Borrower;
- G. the release of any other party now or hereafter liable upon or in respect of this Guaranty or any of the other Loan Documents; or
- H. the invalidity or unenforceability of all or any portion of any of the Loan Documents as to Borrower or any other person or entity.

Any of the foregoing may be accomplished with or without notice to Borrower, or any Guarantor and with or without consideration

7. Waiver of Subrogation Rights. The Guarantor agrees that (i) during the period prior to the payment in full of the Obligations the Guarantor shall have no rights of subrogation, reimbursement, contribution, exoneration or indemnity whatsoever against Borrower for the Guarantor's payment to the Lender of the Guarantor's obligation under this Guaranty (hereinafter referred to as the "Rights"), and (ii) the Guarantor waives and renounces but only during the period set forth in (i) above any Rights the Guarantor has or may have against the Borrower for the Guarantor's payment to the Lender of Guarantor's obligations under this Guaranty. This waiver is expressly intended to prevent the existence of any claim (as defined in the Bankruptcy Code) in respect of such Rights by the Guarantor and to prevent the Guarantor from being a creditor of Borrower due to such Rights unless the Lender has received payment in full of the Obligations.

8. Attorney's Fees and Costs of Collection. If at any time or times hereafter the Lender employs counsel to pursue collection, to intervene, to sue for enforcement of the terms hereof or of

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the Revolving Credit Agreement, the Note, or the Loan Documents, or to file a petition, complaint, answer, motion or other pleading in any suit or proceeding relating to this Guaranty or the Revolving Credit Agreement, the Note, or the Loan Documents, then in such event, all of the reasonable attorneys' fees relating thereto shall be an additional liability of the Guarantor to the Lender, payable on demand.

9. Term of Guaranty; Warranties. This Guaranty shall continue in full force and effect until the Obligations are fully paid. This Guaranty covers the Obligations whether presently outstanding or arising subsequent to the date hereof including all Advances under the Facility made pursuant to the Revolving Credit Agreement, the Note, or the Loan Documents. The Guarantor warrants and represents to the Lender, (i) that this Guaranty is binding upon and enforceable against the Guarantor, in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not violate or constitute a breach of any agreement to which the Guarantor is a party or of any applicable laws, (iii) that there is no litigation, claim, action or proceeding pending, or to the best knowledge of the Guarantor, threatened against the Guarantor which would materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to submit to the Lender financial statements in accordance with the terms and provisions of the Revolving Credit Agreement. Guarantor agrees to promptly inform the Lender of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. This Guaranty is binding on and enforceable against the Guarantor, its successors and assigns. The Guarantor represents and warrants that (i) it is a corporation duly organized, existing and in good standing under the laws of the State of North Carolina, with stock outstanding that has been duly and validly issued, (ii) it has the corporate power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Guaranty and the Loan Documents, and (iii) the execution and delivery of this Guaranty and the performance and observance of the provisions hereof have been duly authorized by all necessary corporate and, if required, stockholder action.

10. Further Representations and Warranties. The Guarantor further represents to the Lender that the Guarantor has knowledge of the Borrower's financial condition and affairs and represents and agrees that it will keep so informed while the Guaranty is in force. The Guarantor agrees that the Lender will have no obligation to investigate the financial condition or affairs of the Borrower for the benefit of the Guarantor nor to advise the Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Borrower which might come to the knowledge of the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantor or might (or does) materially increase the risk of the Guarantor as guarantor or might (or would) affect the willingness of the Guarantor to continue as guarantor with respect to the Obligations.

11. Additional Liability of the Guarantor. If the Guarantor is or becomes liable for any indebtedness owing by the Borrower to the Lender by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all the same force and effect it would have if this Guaranty had not existed and the Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

12. Cumulative Rights. All rights of the Lender hereunder or otherwise arising under any documents executed in connection with the Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting or limiting any other right of the Lender and without affecting or impairing the liability of the Guarantor.

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13. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from the Guarantor of interest in excess of the maximum rate or amount that the Guarantor may be required or permitted to pay pursuant to any applicable law.

14. Multiple Counterparts; Pronouns; Captions; Severability. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidity of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

15. Lender Assigns. This Guaranty is intended for and shall inure to the benefit of the Lender and each and every person who shall from time to time be or become the owner or holder of any of the Obligations, and each and every reference herein to the "Lender" shall include and refer to each and every successor or assignee of the Lender at any time holding or owning any part of or interest in any part of the Obligations.

This Guaranty shall be transferable and negotiable with the same force and effect and to the same extent, that the Obligations are transferable and negotiable, it being understood and stipulated that upon assignment or transfer by the Lender of its rights and duties under the Revolving Credit Agreement or by the Lender of any of the Obligations, the successor under the Revolving Credit Agreement, or the legal holder or owner of said Obligations (or a part thereof or interest therein thus transferred or assigned by the Lender), as the case may be, shall (except as otherwise stipulated by the Lender in its assignment) have and may exercise all of the rights granted to the Lender under this Guaranty to the extent of that part of or interest in the Obligations thus assigned or transferred to said person. The Guarantor expressly waives notice of transfer or assignment of the Obligations, or any part thereof, or of the rights of the Lender hereunder. Failure to give notice will not affect the liability of the Guarantor hereunder.

16. Application of Payments. The Lender may apply any payments received by it from any source against that portion of the Obligations (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.

17. Notices. All notices required to be given hereunder shall be in writing and shall be deemed served at the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, or (iii) upon delivery when deposited with Federal Express, Airborne Express, or other similar courier providing next-day deliveries, in each case, addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required.

to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street [zip 27408]  
P.O. Box 29168  
Greensboro, NC 27429  
Attention: Mr. Stanley K. Tanger and  
Ms. Virginia Summerell

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to the Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02109  
Attn: Commercial Real Estate Loan Administration

Personal delivery or any officer, agent or employee of a party at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice of demand herein provided or to require giving of notice or demand to or upon the Guarantor in any situation or for any reason.

18. Governing Law. This Guaranty shall be deemed to be a contract made under and for all purposes shall be construed in accordance with, the internal laws and judicial decisions of the Commonwealth of Massachusetts. The Guarantor and the Lender agree that any dispute arising out of this Guaranty shall be subject to the jurisdiction of both the state and federal courts in the Commonwealth of Massachusetts. For that purpose, the Guarantor hereby submits to the jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. The Guarantor further agrees to accept service of process out of any of the before mentioned courts in such dispute by registered or certified mail addressed to the Guarantor.

19. Federal Tax Identification Number. The Guarantor hereby certifies to the Lender that the Guarantor's federal tax identification number is 56-1815473.

20. Lender Covenants. Notwithstanding any other provisions of this Guaranty by accepting this Guaranty Lender warrants, covenants and agrees as follows: (a) Lender will not institute an action against the Guarantor or exercise any of Lender's remedies under this Guaranty unless and until an Event of Default (as defined in the Revolving Credit Agreement) has occurred and is continuing; (b) the Facility may be prepaid in full without penalty (other than any payments due as a result of prepaying a Eurodollar Advance (as defined in the Note) prior to the termination of the then applicable Interest Period (as defined in the Note) at any time during which an Event of Default has occurred and is continuing; and (c) Lender will not enforce its rights against the Guarantor, unless in the same proceeding, the Lender shall also seek recovery (unless Lender is prohibited, temporarily or permanently, by bankruptcy, dissolutions, injunction, inability to achieve service of process or other similar legal impediment) from the Borrower of any outstanding balance due on the Obligations. Nothing herein shall limit Lender's rights against Guarantor to pursue only a deficiency judgment or otherwise obligate Lender to take actions other than as set forth above.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal as of the day and year first above written.

TANGER FACTOR OUTLET CENTERS,  
INC.

[CORPORATE SEAL]

By: \_\_\_\_\_  
Stanley K. Tanger  
Chairman of the Board  
Chief Executive Officer

ATTEST:

- \_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing Guaranty Agreement was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 199\_, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

-----  
Print Name:  
Notary Public, State of \_\_\_\_\_  
My Commission Number is: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

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REVOLVING CREDIT AGREEMENT

Dated: As of December 18, 1997

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

("Borrower")

and

FLEET NATIONAL BANK

("Lender")

\$25,000,000.00

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#### REVOLVING CREDIT AGREEMENT

This is a Revolving Credit Agreement (this "Revolving Credit Agreement") made and entered into as of the 18th day of December, 1997, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") and FLEET NATIONAL BANK, a national banking association having an address at 75 State Street, Boston, Massachusetts, 02109 ("Lender").

#### WITNESSETH:

##### 1. BACKGROUND.

1.1 Defined Terms. Capitalized terms used in this Revolving Credit Agreement are defined either in Exhibit A, or in specific sections of this Revolving Credit Agreement, or in another Loan Document, as referenced in Exhibit A

1.2 Borrower. Borrower is a limited partnership organized under the laws of the State of North Carolina of which the sole general partner is Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina.

1.3 Use of Proceeds. Borrower has applied to Lender to establish a revolving line of credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to closing the Facility.

1.4 Guaranties and Indemnities. As an inducement to Lender to establish the Facility, Tanger Factory Outlet Centers, Inc., having an address at 1400 West Northwood Street, Greensboro, North Carolina (the "Guarantor") has agreed to furnish a certain guaranty.

1.5 Facility. Subject to all of the terms, conditions and provisions of this Revolving Credit Agreement, and of the agreements and instruments referred to herein, Lender agrees to establish the Facility and Borrower agrees to accept and repay proceeds outstanding under the Facility.

## 2. ESTABLISHMENT OF FACILITY.

2.1 Facility. The Lender hereby establishes the Facility in the Borrower's favor pursuant to which the Lender agrees to lend to the Borrower until the Termination Date, and the Borrower agrees to borrow from the Lender, from time to time, loans and advances (the "Advances"), provided that the aggregate principal amount of the Facility at any one time outstanding hereunder shall not exceed the Maximum Commitment Amount.

2.2 Advances. The Borrower may request in writing Advances under the Facility.

2.2.1 Time of Advance. At the time of each Advance under the Facility, the Borrower shall immediately become indebted to the Lender for the amount thereof. Each Advance made by the Lender may, at the Lender's option, be (i) credited by the Lender to any deposit account of the Borrower; (ii) paid to the Borrower; or (iii) applied to any Obligation of the Borrower to the Lender (each of the foregoing of which may be by check, draft, or other written order or by bank wire or other transfer).

2.2.2 Certifications. Upon requesting an Advance under the Facility, the Borrower shall be deemed to have certified that as of the date of such request, the following representations are each true and correct:

(i) to the best of the Borrower's knowledge, there has been no material adverse change in the Borrower's or Guarantor's financial condition from the most recent financial information furnished the Lender pursuant to this Revolving Credit Agreement; and

(ii) to the best of the Borrower's knowledge, the Borrower and the Guarantor are in compliance with, and have not breached any of, the covenants contained in this Revolving Credit Agreement; and

(iii) no event has occurred nor failed to occur which occurrence or failure is, or with the passage of time or giving of notice (or both), would constitute, an Event of Default (as described herein), whether or not the Lender has exercised any of its rights upon such occurrence or failure.

2.3 Maximum Facility. The maximum availability under the Facility shall be \$25,000,000.00 (the "Maximum Commitment Amount").

2.4 Interest Rate and Payment Terms. The Facility shall be payable as to interest and principal in accordance with the provisions of a certain Promissory Note dated even date herewith

(the "Note"). The Note also provides for interest at a Default Rate (as defined in the Note), Late Charges (as defined in the Note) and prepayment rights and fees.

## 2.5 Fees.

2.5.1 Commitment Fee. Borrower shall pay a loan commitment fee in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00), representing one half of one percent (0.50%) of the Maximum Commitment Amount, of which Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid previously, (ii) Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid as of the date hereof, and (iii) the balance of which shall be payable on the earlier of (x) the date one (1) year from the date hereof or (y) the Termination Date; provided however, the Commitment Fee shall be entirely earned as of the date hereof.

2.5.2 Facility Fee. Borrower shall pay annually, as compensation for the Lender's maintenance of sufficient funds available for such purpose, in arrears, a facility fee in an amount equal to twelve and one half (12.5) basis points computed on the average undrawn portion of the Facility. The facility fee shall be calculated as of the 18th day of December of each year; provided however, as of the Termination Date, the facility fee shall be calculated in its entirety for that portion of the year expired as of the Termination Date. The facility fee shall be due and payable on or before twenty (20) days

after Borrower's receipt of a statement from the Lender as to the amount of such facility fee. The Lender agrees to provide the Borrower with a worksheet detailing each calculation of the average undrawn portion of the Facility.

3. LOAN DOCUMENTS. The obligations outstanding under the Facility together with interest thereon and all other charges and amounts payable by, and all other obligations of, Borrower to Lender, whenever incurred, direct or indirect, absolute or contingent, arising under the Facility or the Loan Documents ("Obligations") shall be made, evidenced, administered, and governed by all of the terms, conditions and provisions of the "Loan Documents", each as the same may be hereafter modified or amended, consisting of: (i) this Revolving Credit Agreement; (ii) the Note; (iii) the Guaranty from Guarantor; and (iv) any other documents, instruments, or agreements executed to further evidence or secure the Facility. Each of the Loan Documents listed in items (i) through (iv), inclusive is dated of even date herewith.

4. CONTINUING AUTHORITY OF AUTHORIZED REPRESENTATIVES. Lender is authorized to rely upon the continuing authority of the persons, officers, signatories or agents hereafter designated

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("Authorized Representatives") to bind Borrower with respect to all matters pertaining to establishment of the Facility and the Loan Documents including, but not limited to, requests for Advances and the selection of interest rates. Such authorization may be changed only upon written notice to Lender accompanied by evidence, reasonably satisfactory to Lender, of the authority of the person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by Lender. The present Authorized Representatives are listed on Exhibit C. Lender shall have a right of approval, not to be unreasonably withheld or delayed, over the identity of the Authorized Representatives so as to assure Lender that each Authorized Representative is a responsible and senior official of Borrower.

5. CONDITIONS PRECEDENT. It shall be a condition precedent of Lender's obligation to establish the Facility and make each future Advance thereunder that each of the following conditions precedent be satisfied in full (as determined by Lender in its discretion, which discretion shall be exercised in good faith), unless specifically waived in writing by Lender at or prior to closing and at or prior to each Advance under the Facility:

5.1 Satisfactory Loan Documents. Each of the Loan Documents shall be satisfactory in form, content and manner of execution and delivery to Lender and its counsel.

5.2 No Material Change. No material adverse change shall have occurred in the financial condition, business, affairs, operations or control of Borrower or Guarantor, since the date of their respective financial statements most recently delivered to Lender: as of the date hereof, September 30, 1997 for Borrower; September 30, 1997 for Guarantor.

5.3 Warranties and Representations Accurate. All warranties and representations made by or on behalf of any of Borrower, or Guarantor, to Lender shall be true, accurate and complete in all material respects and shall not omit any material fact necessary to make the same not misleading.

5.4 Financials. Lender shall have received and approved financial statements from Borrower and Guarantor complying with the standards set forth in Section 7.2.

5.5 Hazardous Waste, Hazardous Materials and Toxic Substances. The Lender shall have received, and in its sole discretion approved, satisfactory reports from acceptable, qualified professionals prepared in accordance with Lender's protocols indicating the acceptability of the environmental risk for such of the Borrower's properties, as requested by the Lender.

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5.6 Organizational Documents and Entity Agreements. Lender shall have received and approved (i) the partnership agreement and organizational documents of the Borrower and (ii) the corporate organizational documents of the Guarantor.

5.7 Votes, Consents and Authorizations. Lender shall have received and approved certified copies of all partnership, entity and corporate votes, consents and authorizations as may be reasonably required to evidence authority for: (i) establishing the Facility and the transactions contemplated hereby; (ii) providing continuing authorization to designated persons to deal in all respects on behalf of Borrower; and (iii) the execution of all Loan Documents.

5.8 Legal and Other Opinions. Lender shall have received and approved legal opinion letters from counsel representing Borrower and Guarantor which meet Lender's legal opinion requirements previously furnished to Borrower and Guarantor.

5.9 Leasing Matters. To the extent requested, Lender shall have received and approved current rent rolls for the Borrower's properties.

5.10 No Event of Default. There shall not be any Event of Default under any of the Loan Documents.

6. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents to Lender for the express purpose of inducing Lender to enter into this Revolving Credit Agreement, to make Advances under the Facility, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Revolving Credit Agreement, upon the date the initial Advance is funded and at all times thereafter until the Facility has been repaid and all Obligations to Lender have been satisfied as follows:

6.1 Financial Information. True, accurate and complete financial statements of Borrower and Guarantor have been delivered to Lender and the same fairly present the financial condition of Borrower and Guarantor as of the dates thereof and no material and adverse change has occurred in such financial condition since the dates thereof. All financial statements of Borrower and Guarantor hereafter furnished to Lender shall be true, accurate and complete and shall fairly present the financial condition of Borrower and Guarantor as of the dates thereof.

6.2 No Violations. The establishment of the Facility and the subsequent payment and performance of the obligations evidenced by the Loan Documents shall not constitute a violation of, or conflict with, any law, order, regulation, contract, agreement or organizational document to which Borrower or

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Guarantor is a party or by which Borrower or Guarantor, or the property thereof, may be bound.

6.3 No Litigation. There is no material litigation now pending, or to the best of Borrower's knowledge threatened, against Borrower or Guarantor which if adversely decided could materially impair the ability of Borrower or Guarantor to pay and perform its obligations hereunder or under the other Loan Documents.

6.4 Compliance With Legal Requirements and Environmental Legal Requirements. The use, operation, ownership, and development of the Borrower's properties comply with, and shall continue to comply with, all material Legal Requirements and Environmental Legal Requirements, and any and all covenants, conditions, restrictions or other matters which materially affect the Borrower's properties.

6.5 Required Licenses and Permits. All Licenses and Permits which are reasonably required in order to use, operate, own and develop the Borrower's properties in the usual course of business have been duly and properly obtained, and will remain in full force and effect, and have been, and shall be complied with, in all material respects.

6.6 Use of Proceeds. The Advances under the Facility shall be used solely and exclusively to provide funds to support development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to establishment of the Facility. No portion of the proceeds of the Facility shall be used directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase or carry any margin stock, or to extend credit to others for the purpose thereof, or to repay or refund indebtedness previously incurred for such purpose, or (ii) for any purpose which would violate or is inconsistent with the provisions of regulations of the Board of Governors of the Federal Reserve System including, without limitation, Regulations G, T, U and X thereof.

6.7 Entity Matters.

6.7.1 Organization.

(i) Borrower. Borrower is a duly organized validly existing limited partnership in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business

and to own its property, as now conducted or owned, and as contemplated by this Revolving Credit Agreement.

(ii) Guarantor. Guarantor is a duly organized validly existing corporation in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business, as now conducted, and as contemplated by this Revolving Credit Agreement.

6.7.2 Ownership and Taxpayer Identification Numbers. All of the general partners of Borrower, and a description of the ownership interests of Borrower held by the same, are listed in Exhibit B. The identity and ownership of any Guarantor which is not natural person is accurately stated on Exhibit B. The taxpayer identification numbers of Borrower and the Guarantor are accurately stated in Exhibit B.

6.7.3 Authorization. All required partnership and corporate actions and proceedings have been duly taken so as to authorize the execution and delivery by Borrower and, where applicable, Guarantor of the Loan Documents.

6.8 Valid and Binding. Each of the Loan Documents constitute legal, valid and binding obligations of Borrower and, where applicable, Guarantor, in accordance with the respective terms thereof, subject to bankruptcy, insolvency and similar laws of general application affecting the rights and remedies of creditors and, with respect to the availability of the remedies of specific enforcement, subject to the discretion of the court before which any proceeding therefor may be brought.

6.9 Deferred Compensation and ERISA. Borrower does not have any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by Title IV of the Employment Retirement Security Act of 1974, as now or hereafter amended ("ERISA") except as may be designated to Lender in writing by Borrower from time to time ("ERISA Plan") and no "Reportable Event" as defined in ERISA has occurred and is now continuing with respect to any such ERISA Plan. The establishing of the Facility, the performance by Borrower of its obligations under the Loan Documents and Borrower's conducting of its operations do not and will not violate any provisions of ERISA.

6.10 Conditions Satisfied. Assuming that Lender has approved all matters requiring their approval, all of the conditions precedent to establishing the Facility set forth in Section 5 have been satisfied.

6.11 No Material Change; No Event of Default. There has been no material adverse change in the financial condition, business, affairs or control of Borrower or Guarantor since the date of their respective last financial statements most recently delivered to the Lender in accordance with the requirements of Section 7.2 hereof. No Event of Default exists under any of the Loan Documents. There is no Event of Default on the part of Borrower or Guarantor under this Revolving Credit Agreement or any of the other Loan Documents and to the best of the Borrower's knowledge, no event has occurred and is continuing which could constitute an Event of Default under any Loan Document. Borrower has filed all required federal, state and local tax returns and has paid all taxes due pursuant to such returns or any assessments against Borrower or the Borrower's assets.

6.12 No Broker or Finder. Neither Borrower, nor Guarantor, nor anyone on behalf thereof, has dealt with any broker, finder or other person or entity who or which may be entitled to a broker's or finder's fee, or other compensation, payable by Lender in connection with establishing of the Facility.

6.13 Background Information and Certificates. All of the factual information contained or referred to in Section 1 of this Revolving Credit Agreement and in the Exhibits to this Revolving Credit Agreement or the other Loan Documents, and in the certificates and opinions furnished to Lender by or on behalf of Borrower in connection with the Facility, is true, accurate and complete in all material respects, and omits no material fact necessary to make the same not misleading.

6.14 Guarantor's Warranties and Representations. Borrower has no reason to believe that any warranties or representations made in writing by Guarantor to Lender are untrue, incomplete or misleading in any respect.

7. COVENANTS. Borrower covenants and agrees that from the date hereof and so long as any Obligations remain outstanding hereunder, or there exists any

availability to make Advances under the Facility, as follows:

7.1 Notices. Borrower shall, with reasonable promptness, but in all events within ten (10) days after it has actual knowledge thereof, notify Lender in writing of the occurrence of any act, event or condition (i) which constitutes an Event of Default under any of the Loan Documents or (ii) which would constitute, solely with the passage of time or the giving of notice, an Event of Default. Such notification shall include a written statement of any remedial or curative actions which Borrower proposes to undertake to cure or remedy such Event of Default.

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7.2 Financial Statements and Reports. Borrower shall furnish or cause to be furnished to Lender from time to time, the following financial statements and reports and other information, all in form, manner of presentation and substance acceptable to Lender:

7.2.1 Annual Statements. Within 120 days of the fiscal year end of the Borrower and the Guarantor, audited consolidating financial statements of Borrower and Guarantor prepared in accordance with GAAP, or other recognized method of accounting acceptable to Lender, consistently applied, by an independent, certified public accountant acceptable to Lender, such financial statements to include and to be supplemented by such detail and supporting data and schedules as Lender may from time to time reasonably determine, including, without limitation, consolidated financial statements consisting of a balance sheet as of the end of the fiscal year, income statements, and statements of cash flows for the fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, as reported in the Form 10-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all being certified by the General Partner of the Borrower and the chief financial officer of the Guarantor;

7.2.2 Periodic Statements. Within 45 days following the end of each fiscal quarter the following,

(i) Certified Internally Prepared Financial Statements. For the Borrower and the Guarantor, internally prepared financial statements consisting of the consolidated and consolidating balance sheets, income statements, and statement of cash flows for the quarter just ended, and for the fiscal year through the quarter, as reported in the Form 10-Q of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all certified by the General Partner and the chief financial officer of the Guarantor, as having been prepared in accordance with GAAP consistently applied; and

(ii) Certificate of Compliance. Contemporaneously with the delivery of the reports referred to in clause (i) above, a certification by the general partner of Borrower and the chief financial officer of the Guarantor (the "Certificate of Compliance") (x) as to the status and compliance of the financial covenants set forth in Section 8 below and (y) to the Borrower's knowledge that there is not occurring an Event of Default, which certification shall be in the form attached hereto as Exhibit D.

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7.2.3 Data Requested. Within a reasonable period of time and from time to time, but no more frequently than quarterly unless an Event of Default has occurred and is continuing, such other financial data or information as Lender may reasonably request with respect to the Borrower or the Guarantor, including, without limitation, the Form 8-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission.

7.3 Payment of Taxes and Other Obligations. Borrower shall duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges payable by it, or with respect to any of the Borrower's properties.

7.4 Conduct of Business; Compliance With Law. Borrower shall own, develop, operate and use its properties and conduct its affairs in a lawful manner and in compliance with all Legal Requirements and Environmental Legal Requirements applicable thereto and all provisions of ERISA to the extent that a failure to do so would result in a material adverse effect in the conduct of the Borrower's business or the ability of the Borrower to perform its obligations



hereunder.

7.5 Insurance. Borrower shall at all times maintain in full force and effect the insurance coverages satisfactory to the Lender. All insurance premiums shall be paid annually, in advance, and Lender shall be provided with evidence of such prepayment of insurance premiums prior to closing and upon the request of Lender. The Lender acknowledges that the insurance as of the date hereof as reflected in the Certificate of Insurance provided by the Borrower is satisfactory to the Lender.

7.6 Indemnification Against Payment of Brokers' Fees. Borrower agrees to defend, indemnify and save harmless Lender from and against any and all liabilities, damages, penalties, costs, and expenses, relating in any manner to any brokerage or finder's fees in respect of establishing the Facility.

7.7 Limitations On Certain Transactions. Borrower and Guarantor agrees to the following limitations:

7.7.1 No Merger or Acquisition. Neither the Borrower nor the Guarantor shall dissolve or liquidate, nor, without notice to the Lender, merge or consolidate with any other entity.

7.7.2 Guarantor's Status as a REIT. The Guarantor is and shall continue to be in compliance with all requirements of law relative to its status as a Real Estate Investment Trust ("REIT") (including without limitation the Securities Act and the Securities Exchange Act, and the applicable rules and regulations thereunder, state securities laws and

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"Blue Sky") applicable to it and its respective businesses, in each case, where the failure to comply would have a material adverse effect on the Guarantor's status as a REIT. The Guarantor has made all filings with and obtained all consents of the Securities and Exchange Commission as required under the Securities Act and the Securities Exchange Act in connection with the execution, delivery and performance by the Guarantor of each of the Obligations incurred in connection with the Loan Documents.

7.7.3 Limitations on Investments. Except for its interest in the Borrower, Guarantor shall be prohibited from investing in any other partnerships, corporations, limited liability companies or other entities whatsoever.

7.7.4 Limitations on Conduct. Guarantor shall be prohibited from engaging in, or conducting, any business whatsoever other than the operations conducted in its capacity as general partner of the Borrower.

7.7.5 Limitations on Acquisitions. Guarantor shall be prohibited from purchasing or acquiring any assets whatsoever other than those assets purchased or acquired in its capacity as general partner of the Borrower.

7.7.6 Consent to Certain Actions. The Guarantor shall be allowed to undertake any of the actions prohibited in Sections 7.7.3, 7.7.4 or 7.7.5, with the prior written consent of the Lender. In the event that the Borrower requests any such consent in writing, if the Lender does not within fifteen (15) Business Days of the Lender's receipt of such written request, and all information reasonably required in order to evaluate such request, provide either the Lender's written consent or disapproval thereof, such consent shall be deemed to have been granted by the Lender.

7.8 Deposit of Proceeds; Other Bank Accounts.

7.8.1 Borrower shall establish a demand (checking) account with Lender. The following account(s) have been opened for the purpose of creating a depository account for the Property: Account No. \_\_\_\_\_ at Fleet National Bank in the name of Tanger Properties Limited Partnership(the "Account").

7.8.2 Lender is hereby authorized, on or after the due date, to charge the Account with the amount of all payments due under this Revolving Credit Agreement, the Note or the other Loan Documents. The failure of Lender to so charge such account shall not affect or limit Borrower's obligation to make any required payment.

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7.8.3 (i) If any payment is not made when due under any of the Loan Documents, after giving regard to applicable grace periods, if any, or (ii) if any Event of Default or other event which would entitle Lender to accelerate the indebtedness under the Note; then, in any such event, any deposits, balances or other sums credited by or due from Lender in the Account, may to the fullest extent not prohibited by applicable law at any time or from time to time, without regard to the existence, sufficiency or adequacy of any other collateral, and without notice or compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise, all of which are hereby waived, be set off, debited and appropriated, and applied by Lender against any or all of Borrower's Obligations irrespective of whether demand shall have been made and although such Obligations may be unmatured, in such manner as Lender in its sole and absolute discretion may determine. Within five (5) Business Days of making any such set off, debit or appropriation and application with respect to the Account, Lender agrees to notify Borrower thereof, provided the failure to give such notice shall not affect the validity of such set off, debit or appropriation and application.

7.9 Place for Records: Inspection. Borrower shall maintain business records at the address specified at the beginning of this Revolving Credit Agreement, as such address may be changed upon notice to the Lender. Upon notice and at reasonable times during normal business hours Lender shall have the right (through such agents or consultants as Lender may designate) to examine Borrower's assets, including, without limitation, the Borrower's properties, and make copies of and abstracts from Borrower's books of account, correspondence and other records and to discuss its financial and other affairs with any of its partners and any accountants hired by Borrower, it being agreed that Lender shall use reasonable efforts to not divulge information obtained from such examination to others except in connection with Legal Requirements and in connection with administering the Facility, enforcing its rights and remedies under the Loan Documents and in the conduct, operation and regulation of its banking and lending business (which may include, without limitation, the transfer of the Facility or of participation interests therein). Any transferee of the Facility or any holder of a participation interest in the Facility shall be entitled to deal with such information in the same manner and in connection with any subsequent transfer of its interest in the Facility or of further participation interests therein.

7.10 Costs and Expenses. Borrower shall pay all fees, costs and expenses reasonably incurred by Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any subsequent amendments thereto, and the enforcement of Lender's rights under the Loan Documents,

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including, without limitation, reasonable legal fees and disbursements.

7.11 Indemnification. Borrower shall at all times, both before and after repayment of the Obligations, at its sole cost and expense defend, indemnify, exonerate and save harmless Lender and all those claiming by, through or under Lender ("Indemnified Party") against and from all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind whatsoever, including, without limitation, reasonable attorneys' fees and experts, fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Party and arising from or out of:

(i) any Hazardous Materials or any violation of any Environmental Legal Requirements applicable to the Borrower's properties, the Borrower, or both;

(ii) any liability for damage to person or property arising out of any violation of any Legal Requirement applicable to the Borrower's properties, Borrower, or both; or

(iii) any act, omission, negligence or conduct at the Borrower's properties, or arising or claimed to have arisen, out of any act, omission, negligence or conduct of Borrower or any contractor, sub contractor, tenant, occupant or invitee thereof, which is in any way related to the Borrower's properties.

Notwithstanding the foregoing, an Indemnified Party shall not be entitled to indemnification in respect of claims arising from acts of its own gross negligence or willful misconduct to the extent that such gross negligence or willful misconduct is determined by the final judgment of a court of competent jurisdiction, not subject to further appeal, in proceedings to which such Indemnified Party is a proper party.

7.12 Maintenance of Borrower's properties. Borrower shall protect and maintain, or cause to be maintained, in a manner consistent with Borrower's current maintenance standards at all times, the buildings and structures now standing or hereafter erected on the Borrower's properties, and any additions and improvements thereto, and all personal property now or hereafter situated therein, and the utility services, the parking areas and access roads, and all building fixtures and equipment and articles of personal property now or hereafter acquired and used in connection with the operation of the Borrower's properties.

7.13 Acquisitions and Dispositions of Borrower's assets. Borrower shall provide Lender with written notice of all

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dispositions or acquisitions of Projects within fifteen (15) days of said disposition or acquisition.

7.14 Replacement Documentation. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon surrender and cancellation of such Note or other security document, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor.

8. FINANCIAL COVENANTS. Each of the financial covenants set forth hereunder shall be calculated as of the Calculation Date, and shall be determined in a manner acceptable to Lender.

8.1 Fair Market Minimum Net Worth. Borrower shall maintain a Fair Market Minimum Net Worth equal to or in excess of \$175,000,000.00.

8.2 Total Liabilities to Total Adjusted Asset Value. Borrower shall not permit the ratio of Total Liabilities to Total Adjusted Asset Value to exceed sixty (60%) percent.

8.3 Secured Indebtedness to Total Adjusted Asset Value. Borrower shall not permit the ratio of Secured Indebtedness to Total Adjusted Asset Value to exceed forty (40%) percent.

8.4 EBITDA to Debt Service. Borrower shall maintain the ratio of (i) EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) Debt Service for the twelve (12) month period ending on such Calculation Date equal to or in excess of 2.0: 1.0.

8.5 Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value. Borrower shall not permit the ratio of Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value to exceed sixty (60%) percent.

8.6 Unencumbered EBITDA to Total Outstanding Unsecured Indebtedness. Borrower shall maintain the ratio of (i) Unencumbered EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) that portion of interest expense attributable to Total Outstanding Unsecured Indebtedness for the twelve (12) month period ending on the Calculation Date, equal to or in excess of 2.25: 1.0.

8.7 Distributions. Annual dividends and distributions will not exceed Funds From Operations, and will be measured at each fiscal year end.

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8.8 Projects Under Development to Total Adjusted Asset Value. Borrower will not permit the ratio of the cost value of Projects Under Development to exceed twenty five (25%) percent of Total Adjusted Asset Value.

8.9 Undeveloped Land Holdings to Total Adjusted Asset Value. Borrower shall not permit the ratio of cost value of all undeveloped holdings (raw land) (exclusive of any properties determined to be Projects Under Development) determined in accordance with GAAP to exceed fifteen (15%) percent of Total Adjusted Asset Value.

8.10 Total Variable Rate Indebtedness to Total Adjusted Asset Value. Borrower will not permit the ratio of Total Variable Rate Indebtedness to exceed twenty (20%) percent of Total Adjusted Asset Value.

9. EVENTS OF DEFAULT. The following provisions deal with Events of Default, notice, grace and cure periods, and certain rights of Lender following an Event of Default.

9.1 Events of Default. Each of the following events, unless cured within any applicable grace period set forth or referred to below in this Section 9.2 shall constitute an "Event of Default":

9.1.1 Generally. A default by Borrower in the performance of any term, provision or condition of this Revolving Credit Agreement to be performed by Borrower, or a breach, or other failure to satisfy, any other term, provision, condition, covenant or warranty under this Revolving Credit Agreement and such default is not waived and remains uncured beyond any applicable specific grace period provided for in this Revolving Credit Agreement, or as set forth in Section 9.2 below;

9.1.2 Note and Other Loan Documents. A default by Borrower in the payment of any principal or interest due under the Note on the due date thereof or performance of any term or provision of the Note, or of any of the other Loan Documents, or a breach, or other failure to satisfy, any other term, provision, condition or warranty under the Note, or any other Loan Document, regardless of whether the then undisbursed portion of the Facility is sufficient to cover any payment of money required thereby, and the specific grace period, if any, allowed for the default in question shall have expired without such default having been cured or waived;

9.1.3 Other Indebtedness. The occurrence of an event constituting a default (after the expiration of any applicable grace period without the cure or waiver thereof) under the terms of any other Indebtedness of the Borrower to

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any one third party in the amount in excess of Five Million Dollars (\$5,000,000.00); provided however, if the Indebtedness is non-recourse to the Borrower, the occurrence of an event constituting a default after the expiration of any applicable grace period without the cure or waiver thereof under the terms of such Indebtedness of the Borrower to any one third party in the amount in excess of Ten Million Dollars (\$10,000,000.00).

9.1.4 Financial Status and Insolvency.

A. Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment for the benefit of creditors; (iv) consent to, or acquiesce in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (v) file a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law; (vi) have a court of competent jurisdiction enter an order, judgment or decree appointing a receiver, liquidator or trustee of Borrower, or of the whole or any substantial part of the property or assets of Borrower, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for sixty (60) days; (vii) have a petition filed against it seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law and such petition shall remain undismissed for sixty (60) days; (viii) have, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assume custody or control of Borrower or of the whole or any substantial part of its property or assets and such custody or control shall remain unterminated or unstayed for sixty (60) days; (ix) have an attachment or execution levied against any substantial portion of the real estate owned by Borrower; or (x) have any materially adverse change in its financial condition since the date of this Revolving Credit Agreement; or

B. any such event as set forth in Section 9.1.3 or Section 9.1.4. A. shall occur with respect to any Guarantor or any general partner of Borrower; or

9.1.5 Breach of Representation or Warranty. Any material representation or warranty made by Borrower or

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Guarantor herein or in any other instrument or document relating to the Facility shall at any time be materially false or misleading, or any warranty shall be materially breached and such is not waived by Lender;

9.1.6 Guarantor Default. A default by Guarantor in the performance of any term or provision of any Loan Document to which Guarantor is a party, or the breach, or any other failure to satisfy any other term, provision, condition or warranty imposed upon the Guarantor in any Loan Document to which Guarantor is a party or by which Guarantor is bound, after the expiration of any applicable grace period without the cure or waiver thereof, such cure period being determined in the same manner as for the Borrower.

9.2 Grace Periods and Notice. As to each of the foregoing events the following provisions relating to grace periods and notice shall apply:

9.2.1 No Notice or Grace Period. There shall be no grace period and no notice provision with respect to the payment of principal at maturity and no grace period and no notice provision with respect to defaults related to the voluntary filing of bankruptcy or reorganization proceedings or an assignment for the benefit of creditors, or with respect to nonmonetary defaults which are not reasonably capable of being cured, or with respect to a breach of a material warranty or representation under Section 6.

9.2.2 Nonpayment of Interest. As to any payment which is made by an overdraft to Borrower's account which overdraft is not repaid within three (3) Business Days or as to the nonpayment of interest, there shall be a ten (10) day grace period without any requirement of notice from Lender.

9.2.3 Other Monetary Defaults. All other monetary defaults shall have a five (5) Business Day grace period following notice from Lender, or, if shorter, a grace period without notice until five (5) Business Days before the last day on which payment is required to be made in order to avoid: (i) the cancellation or lapse of required insurance, or (ii) a tax sale or the imposition of late charges or penalties in respect of taxes or other municipal charges.

9.2.4 Nonmonetary Defaults Capable of Cure. As to nonmonetary defaults which are reasonably capable of being cured or remedied, unless there is a specific shorter or longer grace period provided for in this Revolving Credit Agreement or in another Loan Document, there shall be a thirty (30) day grace period following notice from Lender or, if such default would reasonably require more than thirty (30) days to cure or remedy, such longer period of time not to exceed a total of one hundred and twenty (120)

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days from Lender's notice as may be reasonably required so long as Borrower shall commence reasonable actions to remedy or cure the default within thirty (30) days following such notice and shall diligently prosecute such curative action to completion within such one hundred and twenty (120) day period. However, where there is an emergency situation in which there is danger to person or property such curative action shall be commenced as promptly as possible. As to breaches of warranties and representations (other than those related to financial information or construction documents) there shall be a thirty (30) day grace period following notice from Lender.

Lender: 9.3 Certain Lender Remedies. If an Event of Default shall occur,

9.3.1 Accelerate Debt. May declare the indebtedness evidenced by the Note and the Obligations immediately due and payable (provided that in the case of a voluntary petition in bankruptcy filed by Borrower or (after the expiration of the grace period if any set forth above) an involuntary petition in bankruptcy filed against Borrower, such acceleration shall be automatic). Upon such an acceleration all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate and any applicable Yield Maintenance Prepayment Fee (as defined in the Note); and

9.3.2 Pursue Remedies. May pursue any and all remedies provided for hereunder, or under any one or more of the other Loan Documents.

9.3.3 Written Waivers. If an Event of Default is waived by Lender, in its sole discretion, pursuant to a specific written instrument executed by an authorized officer of Lender, the Event of Default so waived shall be deemed to have never occurred.

#### 10. ADDITIONAL REMEDIES OF LENDER.

10.1 Remedies. Upon the occurrence of an Event of Default, whether or not the indebtedness evidenced by the Note shall be due and payable or Lender shall have instituted any action for the enforcement of the Note, Lender may, in addition to any other remedies which Lender may have hereunder or under the other Loan Documents, and not in limitation thereof, and in Lender's sole and absolute discretion, proceed to protect and enforce its rights and remedies under this Revolving Credit Agreement, the Note or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Revolving Credit Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are

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evidenced, including as permitted by applicable law, the obtaining of the ex parte appointment of a receiver, and, if any amount owed to the Lender shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Lender. No remedy conferred upon the Lender or the holder of the Note in this Revolving Credit Agreement or in any of the other Loan Documents is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

10.2 Reimbursement. Lender shall have the right to collect and seek reimbursement for all sums paid or incurred pursuant to any of the Loan Documents, including Section 7.10, and all payments made or incurred by Lender hereunder shall be paid by Borrower to Lender upon demand with interest at the Default Rate from the date of payment by Lender to the date of payment to Lender.

10.3 Power of Attorney. For the purpose of exercising the rights granted by this Section 10.3, as well as any and all other rights and remedies of Lender, Borrower hereby irrevocably constitutes and appoints Lender (or any agent designated by Lender) its true and lawful attorney-in-fact, upon and following any Event of Default, to execute, acknowledge and deliver any instruments and to do and perform any acts permitted hereunder or by law in the name and on behalf of Borrower.

#### 11. GENERAL PROVISIONS.

11.1 Notices. Any notice or other communication (other than routine reporting as required under the Loan Documents) in connection with this Revolving Credit Agreement, the Note, or any of the other Loan Documents, shall be in writing, and (i) deposited in the United States Mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service such as Federal Express, or (iii) sent by facsimile transmission, if a FAX Number is designated below, provided a copy is also sent by first-class mail addressed:

If to Borrower:

Tanger Properties Limited Partnership  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

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Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

If to Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02108  
FAX Number: (617) 346-3220  
Attention: Commercial Real Estate Loan

Administration Manager

with copies by regular mail or such hand delivery or facsimile transmission to:

Riemer & Braunstein  
Three Center Plaza  
Boston, Massachusetts 02108  
FAX Number: (617) 723-6831  
Attention: Steven J. Weinstein, Esquire

If to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

Any such addressee may change its address for such notices to such other address in the United States as such addressee shall have specified by written notice given as set forth above. All periods of notice shall be measured from the deemed date of delivery.

A notice shall be deemed to have been given, delivered and received for the purposes of all Loan Documents upon the earliest

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of: (i) if sent by such certified or registered mail, on the third Business Day following the date of postmark, or (ii) if hand delivered at the specified address by such courier or over night delivery service, when delivered or tendered for delivery during customary business hours on a Business Day, or (iii) if so mailed, on the date of actual receipt as evidenced by the return receipt, or (iv) if so delivered, upon actual receipt, or (v) if facsimile transmission is a permitted means of giving notice, upon receipt during customary business hours on a Business Day as evidenced by confirmation.

11.2 Limitations on Assignment. Borrower may not assign this Revolving Credit Agreement or the monies due thereunder without the prior written consent of Lender in each instance.

11.3 Further Assurances. Borrower shall upon request from Lender from time to time execute, seal, acknowledge and deliver such further instruments or documents which Lender may reasonably require to better perfect and confirm its rights and remedies hereunder, under the Note and under each of the other Loan Documents,

11.4 Parties Bound. The provisions of this Revolving Credit Agreement and of each of the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except as otherwise prohibited by this Revolving Credit Agreement or any of the other Loan Documents.

This Revolving Credit Agreement is a contract by and between Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against either Lender or Borrower by virtue of any provision hereof.

11.5 Waivers, Extensions and Releases. Lender may at any time and from time to time waive any one or more of the conditions contained herein or in any of the other Loan Documents, but any such waiver, extension or release shall be deemed to be made in pursuance and not in modification hereof, and any such waiver in any instance, or under any particular circumstance, shall not be considered a waiver of such condition in any other instance or any other circumstance.

11.6 Governing Law; Consent to Jurisdiction; Mutual Waiver of Jury Trial.

11.6.1 Substantial Relationship. It is understood and agreed

that all of the Loan Documents were negotiated, executed and delivered in the Commonwealth of Massachusetts the parties agree has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

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11.6.2 Place of Delivery. Borrower agrees to furnish to Lender at the Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

11.6.3 Governing Law. This Revolving Credit Agreement and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

11.6.4 Consent to Jurisdiction. Borrower hereby consents to personal jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

11.6.5 Jury Trial Waiver. BORROWER AND LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS REVOLVING CREDIT AGREEMENT, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO THE TRANSACTIONS CONTEMPLATED HEREBY.

11.7 Survival. All representations, warranties, covenants and agreements of Borrower, or Guarantor, herein or in any other Loan Document, or in any notice, certificate, or other paper delivered by or on behalf of Borrower or Guarantor pursuant hereto are significant and shall be deemed to have been relied upon by Lender notwithstanding any investigation made by Lender or on its behalf and shall survive the delivery of the Loan Documents and the establishment of the Facility and each advance pursuant thereto. No review by Lender, or by its representatives, of any opinion letters, certificates from professionals or other item of any nature shall relieve Borrower or anyone else of any of the obligations, warranties or representations made by or on behalf of Borrower or Guarantor, or any one or more of them, under any one or more of the Loan Documents.

11.8 Cumulative Rights. All of the rights of Lender hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole good faith judgment.

11.9 Claims Against Lender.

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11.9.1 Borrower Must Notify. Lender shall not be in default under this Revolving Credit Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, with reasonable promptness thereafter. Such actual knowledge or actual notice shall refer to what was actually known by, or expressed in a written notification furnished to, any of the persons or officials referred to in Exhibit C as Authorized Representatives.

11.9.2 Remedies. If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Lender has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, Lender's responsibilities shall be limited to: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of a Loan Document, the obligation to grant such consent or give such approval and to pay Borrower's reasonable costs and expenses including, without limitation, reasonable attorneys, fees and disbursements in connection with such court proceedings; and (ii) the case of any such failure to grant such consent or give such approval, or in the case of any other such default by Lender, where it is also so determined that Lender acted in bad faith, or that Lender's default constituted gross



negligence or willful misconduct, the payment of any actual, direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

11.9.3 Limitations. In no event, however, shall Lender be liable to Borrower or to Guarantor or anyone else for other damages such as, but not limited to, indirect, speculative or punitive damages whatever the nature of the breach by Lender of its obligations under this Revolving Credit Agreement or under any of the other Loan Documents. In no event shall Lender be liable to Borrower or to Guarantor or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within the time period specified above.

11.10 Obligations Absolute. Except to the extent prohibited by applicable law which cannot be waived, the Obligations of Borrower and the obligations of the Guarantor under the Loan Documents shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the

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terms of the Loan Documents under all circumstances whatsoever, including, without limitation, the existence of any claim, set off, defense or other right which Borrower or any Guarantor may have at any time against Lender whether in connection with the Facility or any unrelated transaction.

11.11 Table of Contents, Title and Headings. Any Table of Contents, the titles and the headings of sections are not parts of this Revolving Credit Agreement or any other Loan Document and shall not be deemed to affect the meaning or construction of any of their provisions.

11.12 Counterparts. This Revolving Credit Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of such loan agreement is sought.

11.13 Satisfaction of Commitment. The establishment of the Facility being made pursuant to the terms hereof and of the other Loan Documents is being made in satisfaction of Lender's obligations under the Commitment dated as of October 14, 1997. The terms, provisions and conditions of this Revolving Credit Agreement and the other Loan Documents supersede the provisions of the Commitment.

11.14 Right to Sell. Lender shall have the unrestricted right at any time or from time to time, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), subject to the Borrower's prior written approval as to the identity and number, such approval not to be unreasonably withheld, and Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Revolving Credit Agreement and to any other documents, instruments and agreements executed in connection herewith (provided such amendments do not increase Borrower's obligations or reduce or restrict Borrower's rights) as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the Note held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and

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written notice from the Lender to the Borrower of the effectiveness of such assignment, such Assignee shall be a party to this Revolving Credit Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligations hereunder and thereunder to a corresponding extent. Borrower shall be responsible for all fees and expenses incurred by Lender or any Assignee relating to an increase in the availability under the Facility and/or extension of the Maturity Date (as defined in the Note) of the Facility. Notwithstanding the rights and obligations granted to the Assignee, Lender shall act as sole agent for the Assignee's in connection with the Facility and Borrower shall continue to deal solely and

directly with Lender in connection with Lender's and Assignee's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

11.15 Right to Participate. Lender shall have the unrestricted right at any time and from time to time, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in Lender's obligation to lend hereunder and/or any or all of the loans held by Lender hereunder. In the event of any such grant by Lender of a participating interest to a Participant, whether or not upon notice to Borrower, Lender shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

Lender may furnish any information concerning Borrower in its possession from time to time to prospective Assignees and Participants, provided that Lender shall require any such prospective Assignee or Participant to agree in writing to maintain the confidentiality of such information.

11.16 Time Of the Essence. Time is of the essence of each provision of this Revolving Credit Agreement and each other Loan Document.

11.17 No Oral Change. This Revolving Credit Agreement and each of the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought (except no such writing shall be required for any party which, pursuant to a specific provision of any Loan Document, is required to be bound by changes without such party's assent). In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealings or the like be effective to amend, terminate,

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extend or otherwise modify this Revolving Credit Agreement or any of the other Loan Documents.

11.18 Monthly Statements. While Lender may issue invoices or other statements on a monthly or periodic basis (a "Statement"), it is expressly acknowledged and agreed that: (i) the failure of Lender to issue any Statement on one or more occasions shall not affect Borrower's obligations to make payments under the Loan Documents as and when due; (ii) the inaccuracy of any Statement shall not be binding upon Lender and so Borrower shall always remain obligated to pay the full amount(s) required under the Loan Documents as and when due notwithstanding any provision to the contrary contained in any Statement; (iii) all Statements are issued for information purposes only and shall never constitute any type of offer, acceptance, modification, or waiver of the Loan Documents or any of Lender's rights or remedies thereunder; and (iv) in no event shall any Statement serve as the basis for, or a component of, any course of dealing, course of conduct, or trade practice which would modify, alter, or otherwise affect the express written terms of the Loan Documents.

11.19 Exculpation. The Loan Documents have been negotiated, executed and delivered on behalf of the Borrower by its Authorized Representatives or by the Guarantor, in its capacity as the Borrower's sole general partner, or officers thereof in their representative capacity and not individually, and bind only the Borrower and Guarantor and no employee, agent, officer, partner or shareholder ("Exculpated Party") of the Borrower or Guarantor shall be bound or held to any personal liability in connection with the Obligations of the Borrower or Guarantor thereunder, and any person or entity dealing with the Borrower in connection therewith shall look solely to the Borrower and the Guarantor for the payment of any claim or for the performance of any obligation thereunder.

IN WITNESS WHEREOF this Revolving Credit Agreement has been duly executed and delivered as a sealed instrument.

BORROWER:

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: /s/ Stanley K. Tanger

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Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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LENDER:

FLEET NATIONAL BANK

By: /s/ Aron D. Levine

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Name: Aron D. Levine

Title: Vice-President

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EXHIBITS:

Exhibit A	-	Definitions
Exhibit B	-	Ownership Interests and Taxpayer Identification Numbers
Exhibit C	-	Authorized Representatives
Exhibit D	-	Certificate of Compliance

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EXHIBIT A TO REVOLVING CREDIT AGREEMENT

DEFINITIONS

Account as defined in Section 7.8.

Adjusted Unencumbered Asset Value shall mean, as of the Calculation Date, the sum of (A) plus (B):

"(A)" shall mean the sum of:

(i) 100% of Borrower's unrestricted operating cash and equivalents; plus

(ii) cost value of Projects Under Development which are included in Unencumbered Assets; plus

(iii) cost value of New Developments which are included in Unencumbered Assets.

"(B)" shall mean

(i) (x) an amount equal to Unencumbered EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the Unencumbered EBITDA of any dispositions during the subject fiscal quarter of Unencumbered Assets owned by the Borrower and (2) to deduct Unencumbered EBITDA for any Projects Under Development and New Developments which are included in Unencumbered Assets, each of which adjustments must be approved by the Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned the gross leasable area of Unencumbered Assets (excluding Projects Under Development and New Developments which are included in Unencumbered Assets); divided by

(ii) 0.10.

Advance(s) as defined in Section 2.1.

Authorized Representatives as defined in Section 4 and listed on Exhibit C.

Borrower as defined in the Preamble.

Business Day shall mean: any day of the year on which offices of Fleet National Bank are not required or authorized by law to be closed for business in Boston, Massachusetts. If any day on which a payment is due is not a Business Day, then the payment

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shall be due on the next day following which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no

"February 30th"), the payment shall be due on the last Business Day of the calendar month.

Calculation Date shall mean the last day of each calendar quarter commencing with December 31, 1997.

Certificate of Compliance as defined in Section 7.2.2.

Debt Service shall mean, as of the Calculation Date, the sum of all principal and interest payments due on all loan obligations of the Borrower for such period, exclusive of balloon maturity payments.

Dollars shall mean lawful money of the United States.

EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied and excluding earnings attributable to any project in which the Borrower owns a minority interest and any extraordinary gains or losses.

Environmental Legal Requirements shall mean all applicable past (which have current effect), present or future (which have effect during the term of the Facility) federal, state, county and local laws, rules, regulations, codes and ordinances, or any judicial or administrative interpretations thereof, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, without limitation, all orders, decrees, judgments, rulings, requirements, directives or notices of violation, imposed through any public or private enforcement proceedings, that create one or more duties, obligations, responsibilities or liabilities on the Borrower with respect to the existence, use, storage, treatment, discharge, release, containment, transportation, generation manufacture, refinement, handling, production, disposal or management of any Hazardous Materials, or otherwise regulating or providing for the protection of the environment, and further including, without limitation the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. ss.9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. ss.1801 et seq.), the Public Health Service Act (42 U.S.C. ss.300(f) et seq.), the Pollution Prevention Act (42 U.S.C. ss.13101 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 5136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. ss.6901 et seq.), the Federal Clean Water Act (33 U.S.C. ss.1251 et seq.), the Federal Clean Air Act (42 U.S.C. ss.7401 et seq.).

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ERISA and ERISA Plan each as defined in Section 6.9.

Event of Default as defined in Section 9.

Facility is defined in Section 1.3.

Fair Market Minimum Net Worth shall mean, as of the Calculation Date, the Borrower's Total Adjusted Asset Value less Total Liabilities.

Funds From Operations shall be as currently defined by NAREIT.

GAAP shall mean generally accepted accounting principles.

Guaranty shall mean the unconditional, continuing guaranty from Guarantor guaranteeing payment of the Facility, and performance of all Borrower's Obligations under the Loan Documents.

Guarantor as defined in Section 1.4.

Hazardous Materials shall mean and include asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls, radioactive substances, other carcinogens, oil and other petroleum products, pollutants or contaminants that could be a detriment to the environment, and any other hazardous or toxic materials, wastes, or substances in quantities which are defined, determined or identified as such in any Environmental Legal Requirement.

Indebtedness shall mean all obligations, contingent and otherwise in respect of (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all liabilities under capitalized leases; and (d) all guarantees, endorsements and other contingent obligations whether direct or indirect in respect of indebtedness of others, including the obligations to reimburse the issuer in respect of any letters of credit.

Indemnified Party as defined in Section 7.11.

Legal Requirements shall mean all applicable federal, state, county and local laws, rules, regulations, codes and ordinances, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, but not limited to, those applicable to zoning, subdivision, building, health, fire, safety, sanitation, the protection of the handicapped, and environmental matters and shall also include all orders and directives of any court, governmental agency or authority having or claiming jurisdiction as to the Borrower with respect thereto.

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Lender as defined in the Preamble.

Leverage shall mean, as of the Calculation Date, the ratio of Total Liabilities to Total Adjusted Asset Value.

Liabilities shall mean all Indebtedness and all other liabilities that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto.

Licenses and Permits shall mean all licenses, permits, authorizations and agreements issued by or agreed to by any governmental authority, and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as may be required pursuant to Legal Requirements which may be applicable to the Portfolio Properties.

Limited Partnership Agreement shall mean that certain limited partnership agreement of the Borrower dated as of December 16, 1993.

Loan Documents as defined in Section 3.

Maturity shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

Maturity Date as defined in the Note.

Maximum Commitment Amount as defined in Section 2.3.

NAREIT means the National Association of Real Estate Investment Trusts.

New Development shall mean, as of the Calculation Date, (x) any Project which was a Project Under Development during the prior quarterly reporting period and as to which conditions (i), (ii) and (iii) as provided for in the definition of Projects Under Development have been satisfied, and (y) any project acquired during the subject fiscal quarter, such project(s) being a New Development only for the subject quarterly reporting period.

Obligations as defined in Section 3.

Projects Under Development shall mean, as of the Calculation Date, any project under development by the Borrower (i) classified as construction in progress on the Borrower's quarterly financial statements; or (ii) as to which a certificate of occupancy has not been issued; or (iii) as to which a minimum of 70% of total gross leasable area has not been leased and occupied by paying tenants.

Prime Rate as defined in the Note.

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Projects shall mean any and all properties of the Borrower having buildings with a gross leaseable area in excess of 50,000 sq. ft.

Revolving Credit Agreement as defined in the Preamble.

Secured Indebtedness shall mean any Indebtedness of the Borrower secured by any encumbrance or by any security interest, lien, privilege, or charge on any real or personal property.

Statement as defined in Section 11.18.

Termination Date shall mean the earlier of (x) the occurrence of an Event of Default, or (y) the payment in full of Advances outstanding under the Facility and the termination of the Borrower's right to request Advances under the Facility, or (z) the Maturity Date.

Total Adjusted Asset Value shall mean, as of the Calculation Date, (A) plus (B) in which:

"(A)" shall mean the sum of:

(i) unrestricted cash and cash equivalents (excluding any tenant deposits); plus

(ii) cost value of Projects Under Development; plus

(iii) cost value of New Developments.

"(B)" shall mean:

(i) (x) an amount equal to EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the EBITDA of any dispositions during the subject fiscal quarter of projects owned by the Borrower and (2) to deduct EBITDA for any Projects Under Development or New Developments, each of which adjustments must be approved by Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned gross leasable area (excluding Projects Under Development and New Developments); divided by

(ii) 0.10.

Total Liabilities shall mean, as of the Calculation Date, the sum, after eliminating intercompany items, of all Liabilities (including, without limitation, deferred taxes) other than those liabilities relating to projects in which the Borrower owns a

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minority interest, of the Borrower determined in accordance with GAAP.

Total Outstanding Unsecured Indebtedness shall mean, as of the Calculation Date, all unsecured Indebtedness of the Borrower outstanding as of the end of such fiscal quarter, other than trade indebtedness incurred in the ordinary course of business.

Total Variable Rate Indebtedness shall mean, as of the Calculation Date, all Indebtedness as to which interest accrues or is payable at a variable interest rate, exclusive of any such Indebtedness as to which the Borrower has obtained a fixed rate interest hedge.

Unencumbered Assets shall mean real property that is wholly-owned by the Borrower or by a partnership in which the Borrower is the sole general partner that is not subject to a mortgage lien or to any agreement with any other lender that prohibits the creation of a lien on such property.

Unencumbered EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization on all Unencumbered Assets, all determined in accordance with GAAP consistently applied and excluding any extraordinary gains or losses with respect to Unencumbered Assets.

Yield Maintenance Prepayment Fee as defined in the Note.

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#### EXHIBIT B TO REVOLVING CREDIT AGREEMENT

##### OWNERSHIP INTERESTS AND TAXPAYER IDENTIFICATION NUMBERS

Borrower: Tanger Properties Limited Partnership  
Tax ID 56-1822494

Owners:

General Partners: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Limited Partner: Tanger Family Limited Partnership

Guarantor: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Owners: New York Stock Exchange Traded Public Company

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## EXHIBIT C TO REVOLVING CREDIT AGREEMENT

## AUTHORIZED REPRESENTATIVES

As of the date hereof:

Stanley K. Tanger  
 Frank C. Marchisello, Jr.  
 Rochelle G. Simpson  
 Virginia R. Summerell

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## EXHIBIT D

## CERTIFICATE OF COMPLIANCE

Date: \_\_\_\_\_

To: Fleet National Bank  
 75 State Street  
 Boston, Massachusetts

Re: Certificate of Compliance  
 Calculation Date: \_\_\_\_\_

Pursuant to Section 7.2.2 of the Revolving Credit Agreement (the "Revolving Credit Agreement") dated as of December 18, 1997 by and between Tanger Properties Limited Partnership (the "Borrower") and Fleet National Bank (the "Bank"), the undersigned hereby certifies: (i) to the best of the undersigned's knowledge, the information provided on the accompanying Financial Statements are true and accurate in all material respects; (ii) the Borrower is in compliance with the Financial Covenants contained in the Revolving Credit Agreement to the extent set forth below; (iii) to the best of the undersigned's knowledge, an Event of Default has not occurred and is continuing under the Revolving Credit Agreement.

All capitalized terms not otherwise defined herein shall have the same meaning as defined in the Revolving Credit Agreement, as applicable.

I. COVENANT COMPLIANCE. All calculations to support the information set forth in the "Actual" column below are attached hereto and are based upon the accompanying Financial Statements.

COVENANT	REQUIREMENT	ACTUAL
-----		
Fair Market Minimum Net Worth	\$175,000,000.00	
Total Liabilities to Total Adjusted Asset Value	Not to exceed 60%	
Secured Indebtedness to Total Adjusted Asset Value.	Not to exceed 40%	
EBITDA to Debt Service	Equal to or in excess of 2.0:1.0	

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Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value	Not to exceed 60%	
Unencumbered EBITDA TO Total Outstanding Unsecured Indebtedness	Equal to or in excess of 2.25: 1.0	
Distributions	Will not exceed Funds From	

Operations

Projects Under Development to Total Adjusted Asset Value Not to exceed 25%

Undeveloped Land Holdings to Total Adjusted Asset Value Not to exceed 15%

Total Variable Rate Indebtedness to Total Adjusted Asset Value Not to exceed 20%

II. LEVERAGE CALCULATION

1. Total Liabilities.....
2. Total Adjusted Asset Value.....
3. Total Liabilities/Total Asset Value.....

The undersigned certifies that the information provided herein is true and accurate, to the best of its knowledge.

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Financial Officer

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PROMISSORY NOTE

25,000,000.00

As of December 18, 1997

1. Promise To Pay.

FOR VALUE RECEIVED, TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") promises to pay to the order of FLEET NATIONAL BANK, a national banking association, having an address at 75 State Street, Boston, Massachusetts 02109 ("Lender"), the principal sum of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS, or so much thereof as may be advanced, with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, on each advance from the date of its disbursement until such principal sum shall be fully paid. Interest shall be payable in installments as set forth in Section 4 below. The total principal sum, or the amount thereof outstanding, together with any accrued but unpaid interest, shall be due and payable in full on January 15, 2000 ("Maturity Date"), which term is further defined in, and is subject to acceleration in accordance with, the Revolving Credit Agreement pursuant to which this Note has been issued.

2. Revolving Credit Agreement.

This Note is issued pursuant to the terms, provisions and conditions of an agreement captioned "Revolving Credit Agreement" dated as of even date between Borrower and Lender and evidences the Facility and Advances made pursuant thereto. Capitalized terms used herein which are not otherwise specifically defined shall have the same meaning herein as in the Revolving Credit Agreement.

3. Interest Rates.

3.1. Borrower's Options. Principal amounts outstanding under the Facility shall bear interest at the following rates, at Borrower's selection, subject to the conditions and limitations provided for in this Note: (i) Variable Rate or (ii) Eurodollar Rate.

3.1.1 Selection To Be Made. Borrower shall select, and thereafter may change the selection of, the applicable interest rate, from the alternatives otherwise provided for in this Note, by giving Lender a Notice of Rate



Selection: (i) prior to each Advance, or (ii) prior to the end of each Interest Period applicable to a Eurodollar Advance, or (iii) on any Business Day on which Borrower desires to convert an outstanding Variable Rate Advance to a Eurodollar Advance.

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3.1.2 Notice. A "Notice of Rate Selection" shall be a written notice, given by cable, tested telex, telecopier (with authorized signature), or by telephone if immediately confirmed by such a written notice, from an Authorized Representative of Borrower which: (i) is irrevocable; (ii) is received by Lender not later than 12:00 o'clock Noon Eastern Time: (a) if a Eurodollar Rate is selected, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply, (b) if a Variable Rate is selected, on the first day of the Interest Period to which it applies; and (iii) as to each selected interest rate option, sets forth the aggregate principal amount(s) to which such interest rate option(s) shall apply and the Interest Period(s) applicable to each Eurodollar Advance.

3.1.3 If No Notice. If Borrower fails to select an interest rate option in accordance with the foregoing prior to an Advance, or prior to the last day of the applicable Interest Period of an outstanding Eurodollar Advance, or if a Eurodollar Advance is not available, any new Advance made shall be deemed to be a Variable Rate Advance, and on the last day of the applicable Interest Period all outstanding principal amounts shall be deemed converted to a Variable Rate Advance.

3.2. Telephonic Notice. Without any way limiting Borrower's obligation to confirm in writing any telephonic notice, Lender may act without liability upon the basis of telephonic notice believed by Lender in good faith to be from an Authorized Representative of the Borrower prior to receipt of written confirmation. In each case Borrower hereby waives the right to dispute Lender's record of the terms of such telephonic Notice of Rate Selection.

3.3. Limits On Options, Selections Per Month. Each Eurodollar Advance shall be in a minimum amount of \$1,000,000 . At no time shall there be outstanding a total of more than five (5) Eurodollar Advances combined at any time. If Borrower shall make more than three (3) Eurodollar Rate selections in any thirty (30) day period, excluding conversions of outstanding advances made at the end of an applicable Interest Period of any previously outstanding Eurodollar Advance, Lender may impose and Borrower shall pay a reasonable processing fee for each such additional selection.

#### 4. Payment of Interest and Principal.

4.1. Payment and Calculation of Interest. All interest shall be: (a) payable in arrears commencing January 15, 1998 and on the same day of each month thereafter until the principal together with all interest and other charges payable with respect to the Facility shall be fully paid; and (b) calculated on the basis of a 360 day year and the actual number of days elapsed. Each change in the Prime Rate shall simultaneously change the Variable Rate payable under this Note. Interest at the Eurodollar Rate shall be computed

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from and including the first day of the applicable Interest Period to, but excluding, the last day thereof.

4.2. Principal. The entire principal balance shall be due and payable in full upon Maturity.

4.3. Prepayment. The Facility or any portion thereof may be prepaid in full or in part at any time upon three (3) days, prior written notice to the holder of this Note without premium or penalty with respect to Variable Rate Advances and, with respect to Eurodollar Advances subject to a Yield-Maintenance Fee. Any partial prepayment of principal shall first be applied to any installment of principal then due and then be applied to the principal due in the reverse order of maturity, and no such partial prepayment shall relieve Borrower of the obligation to pay each subsequent installment of principal when due.

4.4. Maturity. At maturity all accrued interest, principal and other charges due with respect to the Facility shall be due and payable in full and the principal balance and such other charges, but not unpaid interest, shall continue to bear interest at the Default Rate until so paid.

4.5. Method of Payment; Date of Credit. All payments of interest, principal and fees shall be made in lawful money of the United States in immediately available funds: (a) by direct charge to an account of Borrower

maintained with Lender (or the then holder of this Note), or (b) by wire transfer to Lender or (c) to such other bank or address as the holder of this Note may designate in a written notice to Borrower. Payments shall be credited on the Business Day on which immediately available funds are received prior to one o'clock P.M. Eastern Time; payments received after one o'clock P.M. Eastern Time shall be credited to the Facility on the next Business Day. Payments which are by check, which Lender may at its option accept or reject, or which are not in the form of immediately available funds shall not be credited to the Facility until such funds become immediately available to Lender, and, with respect to payments by check, such credit shall be provisional until the item is finally paid by the payor bank.

4.6. Billings. Lender may submit monthly billings reflecting payments due; however, any changes in the interest rate which occur between the date of billing and the due date may be reflected in the billing for a subsequent month. Neither the failure of Lender to submit a billing nor any error in any such billing shall excuse Borrower from the obligation to make full payment of all Borrower's payment obligations when due, however, if Borrower makes timely payment as specified in any such billing, the Borrower shall not be in default under the terms of this Note or any of the other Loan Documents due to the failure to pay any additional amount owed as reflected in any corrected billing (the "Additional Payment Amount"), unless the Borrower fails to pay the Additional Payment

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Amount within the grace period provided for in the Revolving Credit Agreement from the date on which the Borrower obtains knowledge of such error.

4.7. Default Rate. Lender shall have the option of imposing, and Borrower shall pay upon billing therefor, an interest rate which is four percent (4%) per annum above the interest rate otherwise payable ("Default Rate"): (a) while any monetary Default exists and is continuing, during that period between the due date and the date of payment; (b) following any Event of Default, unless and until the Event of Default is waived by Lender; and (c) after Maturity. Borrower's right to select pricing options shall cease upon the occurrence of a monetary Default or following any Event of Default.

4.8. Late Charges. Borrower shall pay, upon billing there for, a "Late Charge" equal to three percent (3%) of the amount of any payment of principal, other than principal due at Maturity, interest, or both, which is not paid within ten (10) days of the due date thereof. Late charges are: (a) payable in addition to, and not in limitation of, the Default Rate, (b) intended to compensate Lender for administrative and processing costs incident to late payments, (c) are not interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

4.9. Calculation of Yield Maintenance.

(i) The Yield Maintenance Fee due in accordance with Section 4.3 shall be calculated separately for each Eurodollar Advance prepaid prior to the expiration of the applicable Interest Period in accordance with the following:

(A) if the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is greater than the applicable Eurodollar Rate, there shall be no Yield Maintenance Fee payable for such installment or balance.

(B) If the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is less than the applicable Eurodollar Rate, the Yield Maintenance Fee shall equal the aggregate of all Present Values, computed separately for each such Eurodollar Advance having a separate Interest Period, of the product of:

1. the amount of each Eurodollar Advance prepaid, multiplied by
2. the amount by which the Eurodollar Rate, expressed as a percentage, exceeds the Treasury Rate, expressed as a percentage, computed separately for each

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Eurodollar Advance having a different Interest Period, and

3. which product in turn shall be multiplied by a fraction, computed separately for each Eurodollar Advance having a different Interest Period, the numerator of which is

the number of days from the date of prepayment to the last day of the applicable Interest Period and the denominator of which is 360.

(ii) The Yield Maintenance Fee shall be payable in respect of all prepayments of Eurodollar Advances whether voluntary or involuntary including, without limitation, prepayments made upon acceleration of the Facility.

(iii) once written notice of intention to prepay is given, the Facility, or the applicable portion thereof, shall become due and payable in full on the date specified in the notice of prepayment and the failure to so prepay on such date, together with any applicable Yield Maintenance Fees computed in accordance with Section 4.9(i), above, shall constitute an Event of Default.

## 5. Certain Definitions and Provisions Relating To Interest Rate.

5.1. Adjusted LIBOR Rate. The term "Adjusted LIBOR Rate" means for each Interest Period the rate per annum obtained by dividing (i) the LIBOR Rate for such Interest Period, by (ii) a percentage equal to one hundred percent (100%) minus the maximum reserve percentage applicable during such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirements (including, without limitation, any basic, supplemental, marginal and emergency reserve requirements) for Lender (or of any subsequent holder of this Note which is subject to such reserve requirements, provided such reserve percentage for such subsequent holder is not greater than the reserve percentage of Fleet National Bank) in respect of liabilities or assets consisting of or including Eurocurrency liabilities. (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) having a term equal to the Interest Period.

5.2. Applicable Increment. The term "Applicable Increment" means the additional amount of basis points added to the Adjusted LIBOR Rate for purposes of determining the Eurodollar Rate for any applicable Interest Period. The "Applicable Increment" shall be determined for each Interest Period on the first day of such Interest Period as follows:

(A) If the Leverage is greater than or equal to fifty (50%) percent, the Applicable Increment shall be one hundred and seventy five (175) basis points;

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(B) If the Leverage is less than fifty (50%) percent, but greater than forty (40%) percent, the Applicable Increment shall be one hundred and sixty (160) basis points; and

(C) If the Leverage is less than or equal to forty (40%) percent, the Applicable Increment shall be one hundred and fifty (150) basis points.

Leverage shall be determined as of the last Calculation Date as to which the Lender (i) has received a Certificate of Compliance and (ii) has provided Borrower with the Interest Rate Notice.

5.3. Banking Day. The term "Banking Day" means a day on which banks are not required or authorized by law to close in the city in which Lender's principal office is situated.

5.4. Business Day; Same Calendar Month. For purposes of this Note, the term "Business Day" means any Banking Day and, if the applicable Business Day relates to the selection or determination of any Eurodollar Rate, any London Banking Day. If any day on which a payment is due is not a Business Day, then the payment shall be due on the next day following which is a Business Day, unless, with respect to Eurodollar Advances, the effect would be to make the payment due in the next calendar month, in which event such payment shall be due on the next preceding day which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no "February 30th"), the payment shall be due on the last Business Day of the calendar month.

5.5. Dollars. The term "Dollars" or "\$" means lawful money of the United States.

5.6. Eurodollar Advance. The term "Eurodollar Advance" means any principal outstanding under this Note which pursuant to this Note bears interest at the Eurodollar Rate.

5.7. Eurodollar Rate. The term "Eurodollar Rate" means the per annum rate equal to the Adjusted LIBOR Rate plus an the Applicable Increment.

#### 5.8. Interest Period.

(A) The term "Interest Period" means with respect to each Eurodollar Advance: a period of one (1), two (2), three (3), four (4), or six (6) consecutive months, subject to availability, as selected, or deemed selected, by Borrower at least two (2) Business Days prior to an Advance, or if an Advance is already outstanding, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply. Each such Interest Period shall commence on the Business Day so selected, or

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deemed selected, by Borrower and shall end on the numerically corresponding day in the first, second, third, fourth, or sixth month thereafter, as applicable. Provided, however: (i) if there is no such numerically corresponding day, such Interest Period shall end on the last Business Day of the applicable month, (ii) if the last day of such an Interest Period would otherwise occur on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; but (iii) if such extension would otherwise cause such last day to occur in a new calendar month, then such last day shall occur on the next preceding Business Day.

(B) The term "Interest Period" shall mean with respect to each Variable Rate Advance consecutive periods of one (1) day each.

(C) No Interest Period may be selected which would end beyond the then Maturity Date of the Facility. If the last day of an Interest Period would otherwise occur on a day which is not a Business Day, such last day shall be extended to the next succeeding Business Day, except as provided above in clause (A) relative to a Eurodollar Advance.

5.9. Interest Rate Notice. The term "Interest Rate Notice" shall mean written notice delivered by the Lender to the Borrower after receipt of the Certificate of Compliance setting forth the Applicable Increment for Advances made thereafter and until delivery of the next Interest Rate Notice; provided, however, if the Lender does not provide the Borrower within five (5) Business Days of the receipt of any such Certificate of Compliance either the Interest Rate Notice or a written objection to the calculation of Leverage as provided therein, the Applicable Increment shall be determined based upon the calculations included in such Certificate of Compliance.

5.10. LIBOR Rate. The term "LIBOR Rate" means, with respect to each Interest Period, the rate of interest, expressed as an annual rate, equal to the simple average, rounded up to the nearest 1/16 of 1%, of the rates shown on the display referred to as the "Telerate Page 3750" (or any display substituted therefor) of the Dow Jones Telerate Service as being the respective rates at which deposits in Dollars would be offered by the principal London offices of each of the banks named thereon to major banks in the London interbank market at approximately 11:00 A.M. (London time) on the second London Banking Day before the first day of such Interest Period for a period substantially coextensive with such Interest Period.

5.11. London Banking Day. The term "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

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5.12. Maturity. The term "Maturity" shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

5.13. Maturity Date. The term "Maturity Date" shall mean January 15, 2000.

5.14. Present Value. The term "Present Value" means the value at the last day of the applicable Interest Period discounted to the date of prepayment using the Treasury Rate.

5.15. Prime Rate. The term "Prime Rate" means the per annum rate of interest so designated from time to time by Lender as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

5.16. Treasury Rate. The term "Treasury Rate, means, as of the date of any calculation or determination, the latest published rate for United States Treasury Notes or Bills (but the rate on Bills issued on a discounted basis

shall be converted to a bond equivalent) as published weekly in the Federal Reserve Statistical Release H.15(519) of Selected Interest Rates in an amount which approximates (as determined by Lender) the amount prepaid and with a maturity closest to the last day of the applicable Interest Period as to the Eurodollar Advance which is prepaid in whole or in part.

5.17. Variable Rate. The term "Variable Rate" means a per annum rate equal at all times to the Prime Rate less twenty five (25) basis points, with changes therein to be effective simultaneously with any change in the Prime Rate.

5.18. Variable Rate Advance. The term "Variable Rate Advance" means any principal amount outstanding under this Note which pursuant to this Note bears interest at the Variable Rate.

6. Additional Provisions Related to Interest Rate Selection.

6.1. Increased Costs. If, due to any one or more of: (i) the introduction of any applicable law or regulation or any change (other than any change by way of imposition or increase of reserve requirements already referred to in the definition of Eurodollar Rate) in the interpretation or application by any authority charged with the interpretation or application thereof of any law or regulation; or (ii) the compliance with any guideline or request from any governmental central bank or other governmental authority (whether or not having the force of law), there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Eurodollar Advances, including without limitation changes which affect or would affect the amount of capital or reserves required or expected to be maintained by

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Lender, with respect to all or any portion of the Facility, or any corporation controlling Lender, on account thereof, then Borrower from time to time shall, upon written demand by Lender, either (x) pay Lender additional amounts sufficient to indemnify Lender against the increased cost incurred, subject to the delivery of a certificate as to the amount of the increased cost and the reason therefor being submitted to Borrower by Lender, which in the absence of manifest error, shall be conclusive and binding for all purposes, or (y) convert the Eurodollar Advances to Variable Rate Advances (and pay to the Lender any applicable Yield Maintenance Fee, as provided herein).

6.2. Illegality. Notwithstanding any other provision of this Note, if the introduction of or change in or in the interpretation of any law, treaty, statute, regulation or interpretation thereof shall make it unlawful, or any central bank or government authority shall assert by directive, guideline or otherwise, that it is unlawful, for Lender to make or maintain Eurodollar Advances or to continue to fund or maintain Eurodollar Advances then, on written notice thereof and demand by Lender to Borrower, (a) the obligation of Lender to make Eurodollar Advances and to convert or continue any Advances as Eurodollar Advances shall terminate and (b) Borrower shall convert all principal outstanding under this Note into Variable Rate Advances.

6.3. Additional Eurodollar Conditions. The selection by Borrower of a Eurodollar Rate and the maintenance of Advances at such rate shall be subject to the following additional terms and conditions:

(i) Availability. If, before or after Borrower has selected to take or maintain a Eurodollar Advance, Lender notifies Borrower that:

(a) dollar deposits in the amount and for the maturity requested are not available to Lender in the London interbank market at the rate specified in the definition of LIBOR Rate set forth above, or

(b) reasonable means do not exist for Lender to determine the Eurodollar Rate for the amounts and maturity requested,

then the principal which would have been a Eurodollar Advance shall be a Variable Rate Advance.

(ii) Payments Net of Taxes. All payments and prepayments of principal and interest under this Note shall be made net of any taxes and costs the collection or payment of which is imposed on Borrower resulting from having principal outstanding at or computed with reference, to a Eurodollar Rate. Without limiting the generality of the preceding

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obligation, illustrations of such taxes and costs are taxes, or the withholding of amounts for taxes, of any nature whatsoever including income, excise, interest equalization taxes (other than United States or state income taxes) as well as all levies, imposts, duties or fees whether now in existence or as the result of a change in or promulgation of any treaty, statute, regulation, or interpretation thereof or any directive guideline or otherwise by a central bank or fiscal authority (whether or not having the force of law) or a change in the basis of, or the time of payment of, such taxes and other amounts resulting therefrom.

6.4. Variable Rate Advances. Each Variable Rate Advance shall continue as a Variable Rate Advance until Maturity, unless sooner converted, in whole or in part, to a Eurodollar Advance, subject to the limitations and conditions set forth in this Note.

6.5. Conversion of Other Advances. At the end of each applicable Interest Period, the applicable Eurodollar Advance shall be converted to a Variable Rate Advance unless Borrower selects another option in accordance with the provisions of this Note.

7. Acceleration; Event of Default.

At the option of the holder, this Note and the indebtedness evidenced hereby shall become immediately due and payable without further notice or demand, and notwithstanding any prior waiver of any breach or default, or other indulgence, upon the occurrence at any time of any one or more of the following events, each of which shall be an "Event of Default" hereunder and under the Revolving Credit Agreement and each other Loan Document: (i) an Event of Default as defined in the Revolving Credit Agreement as the same may from time to time hereafter be amended; or (ii) an event which pursuant to any express provision of the Revolving Credit Agreement, or of any other Loan Document, gives Lender the right to accelerate the Facility.

8. Certain Waivers, Consents and Agreements.

The Borrower and the Guarantor hereby agree and acknowledge that: (a) the Borrower (i) waives presentment, demand, protest, suretyship defenses and defenses in the nature thereof; (ii) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (iii) agrees to any substitution, exchange, release, surrender or other delivery of any security or collateral now or hereafter held hereunder or in connection with the Revolving Credit Agreement, or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (iv)

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agrees that if any security or collateral given to secure this Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Revolving Credit Agreement, or any of the other Loan Documents, shall be found to be unenforceable in full or to any extent, or if Lender or any other party shall fail to duly perfect or protect such collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (v) subject to the terms of the Revolving Credit Agreement, agrees to pay all costs and expenses incurred by Lender or any other holder of this Note in connection with the indebtedness evidenced hereby, including, without limitation, all attorneys' fees and costs, for the implementation of the Facility, the collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder or under the other Loan Documents, whether or not suit is instituted; and (vi) consents to all of the terms and conditions contained in this Note, and all other instruments now or hereafter executed evidencing or governing all or any portion of the security or collateral for this Note and for such Revolving Credit Agreement, or any one or more of the other Loan Documents, and (b) the Guarantor has waived certain rights as provided in a certain Guaranty Agreement dated as of the date hereof executed and delivered by the Guarantor to the Lender.

9. Delay Not A Bar.

No delay or omission on the part of the holder in exercising any right hereunder or any right under any instrument or agreement now or hereafter executed in connection herewith, or any agreement or instrument which is given or may be given to secure the indebtedness evidenced hereby or by the Revolving Credit Agreement, or any other agreement now or hereafter executed in connection herewith or therewith shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or of any other right on

any future occasion.

10. Partial Invalidity.

The invalidity or unenforceability of any provision hereof, of the Revolving Credit Agreement, of the other Loan Documents, or of any other instrument, agreement or document now or hereafter executed in connection with the establishment of the Facility made pursuant hereto and thereto shall not impair or vitiate any other provision of any of such instruments, agreements and documents, all of which provisions shall be enforceable to the fullest extent now or hereafter permitted by law.

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11. Compliance With Usury Laws.

All agreements between Borrower, the Guarantor and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof, provided, however, that in the event there is a change in the law which results in a lesser or higher maximum permissible rate of interest, then this Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Note to contract in strict compliance with the laws of the Commonwealth of Massachusetts from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity, and if under or from any circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower, the Guarantor and Lender.

12. Use of Proceeds.

All proceeds of the Facility shall be used solely for the purposes more particularly provided for and limited by the Revolving Credit Agreement.

13. Notices.

Any notices given with respect to this Note shall be given in the manner provided for in the Revolving Credit Agreement.

14. Governing Law and Consent to Jurisdiction.

14.1. Substantial Relationship. The parties agree that the Commonwealth of Massachusetts has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

14.2. Place of Delivery. Borrower agrees to furnish to Lender at Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

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14.3. Governing Law. This Note and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

14.4. Exceptions. Notwithstanding the foregoing choice of law provisions of Federal law and the law of the state in which a Portfolio Property lies shall apply in defining the terms Hazardous Materials, Hazardous Materials Legal Requirements, Environmental Legal Requirements and Legal Requirements applicable to the Portfolio Properties as such terms are used in the Revolving Credit Agreement, and the other Loan Documents.

14.5. Consent to Jurisdiction. Borrower hereby consents to personal

jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

15. Waiver of Jury Trial.

BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BETWEEN THE BORROWER AND THE LENDER BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS NOTE AND ESTABLISH THE FACILITY.

16. No Oral Change.

This Note and the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought. In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealing, or the like be effective to amend, terminate, extend or otherwise modify this Note or any of the other Loan Documents.

17. Rights of the Holder.

This Note and the rights and remedies provided for herein may be enforced by Lender or any subsequent holder hereof. Wherever the context permits each reference to the term "holder" herein shall mean and refer to Lender or the then subsequent holder of this Note.

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18. Right to Pledge.

Lender may at any time pledge all or any portion of its rights under the Loan Documents including any portion of this Note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release Lender from its obligations under any of the Loan Documents.

19. Setoff

Lender shall have the rights of set-off provided for in the Revolving Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date set forth above as a sealed instrument.

Witness: TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner,

- -----  
Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of December 18, 1997 (the "Guaranty"), is given by TANGER FACTORY OUTLET CENTERS, INC., a North Carolina corporation, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Guarantor"); and extended to FLEET NATIONAL BANK, national banking association, with its principal offices located at 75 State Street, Boston, Massachusetts 02109, (the "Lender") for the benefit of TANGER PROPERTIES LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of North Carolina, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Borrower").

RECITALS:



1. The Lender has agreed to establish, in accordance with the terms and provisions of, amongst other documents, a certain Revolving Credit Agreement of even date herewith (as amended, modified, renewed or extended from time to time, the "Revolving Credit Agreement") and a certain Promissory Note of even date (as amended, modified, renewed, or extended from time to time (the "Note"), a certain revolving credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used by the Borrower for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, and the repayment of any other indebtedness of the Borrower. All of the definitions used in the Note and the Revolving Credit Agreement are hereby incorporated herein by reference and shall have the meaning set forth in the Note and the Revolving Credit Agreement unless otherwise defined herein.

2. The Guarantor is the sole general partner of the Borrower.

3. Without this Guaranty the Lender would be unwilling to establish the Facility and make Advances thereunder to Borrower.

4. Because of the direct benefit to the Guarantor from the establishment of the Facility for the use of the Borrower, the Guarantor agrees to guarantee to the Lender the Obligations.

NOW THEREFORE, in consideration of the Lender entering into the Revolving Credit Agreement and establishing the Facility and making the Advances thereunder to the Borrower, and subject to the covenants and conditions of Section 20 below:

1. Guaranty of Payment. The Guarantor hereby unconditionally guarantees to the Lender the payment, when due, by acceleration or otherwise, of the Obligations. For the purposes hereof, the term "Obligations" shall have the meaning ascribed to it under the Revolving Credit Agreement and include, without limitation, Advances under the Facility, whether existing now or arising hereafter.

2. Guaranty of Performance. The Guarantor additionally unconditionally guarantees the Lender the timely performance of all other liabilities and obligations of the Borrower under the Revolving Credit Agreement and all of the Loan Documents.

In the event of the occurrence of an Event of Default as defined in the Revolving Credit Agreement relating to any of the foregoing conditions, and without the necessity of any notice from the Lender to the Guarantor, the Guarantor agrees to indemnify and hold the Lender harmless from any and all loss, cost, liability or expense the Lender may suffer by reason of any such event. The Lender shall accept performance by the Guarantor of the Obligations under the Revolving Credit Agreement and the Loan Documents, and so long as all of said Obligations are being performed by

the Borrower or the Guarantor and there is occurring no other Event of Default, the Lender will make the Facility proceeds available under the terms of the Revolving Credit Agreement, the Note, and the Loan Documents.

3. Subordination. Upon the occurrence and during the continuance of any Event of Default as defined in the Revolving Credit Agreement, no payments shall be made by Borrower or received by the Guarantor on any indebtedness, now or hereafter existing, of the Borrower to the Guarantor.

4. Waiver of Rights. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the Guarantor expressly waives and relinquishes to the fullest extent now or hereafter not prohibited by applicable law, with respect to the Obligations and the Loan Documents: (a) notice of acceptance of this Guaranty by the Lender and of all extensions of credit pursuant to the Revolving Credit Agreement, the Note, and the Loan Documents to the Borrower by the Lender; (b) presentment and demand for payment of any of the Obligations; (c) demand for payment under this Guaranty; (d) all suretyship defenses and defenses in the nature thereof, (e) any right or claim of right to cause a marshalling of the assets of the Borrower, or to cause Lender to proceed against any of the other security for the Obligations before proceeding under this Guaranty against the Guarantor, or if there shall be more than one guarantor, to require Lender to proceed against any other guarantor or any of such guarantors in any particular order, (f) notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, notice of dishonor, or any and all notice of nonpayment, nonperformance, nonobservance or default, or other proof or notice of demand whereby to charge Guarantor therefor; and (g) any right to assert against the Lender, as a defense, counterclaim, set-off, or cross-claim any defense (legal or equitable), set-off, counterclaim or claim which the Guarantor may now or hereafter have against the Lender or the Borrower. Such waiver shall not prevent the Guarantor from asserting against the Lender in a separate action, any claim, action cause of action, or demand that

the Guarantor might have arising out of this Guaranty or the Revolving Credit Agreement, the Note or any other Loan Documents, to the extent not arising out of a suretyship defense or any other claim otherwise waived pursuant to subparagraphs (a), (b), (c), (e), (f), or (g), above.

Guarantor and Lender (evidenced by the acceptance of this Guaranty) mutually hereby knowingly, voluntarily and intentionally waives the right to a trial by jury in respect of any litigation based on this Guaranty, arising out of, under or in connection with this Guaranty or any of the other Loan Documents or, in connection with this Guaranty, any course of conduct, course of dealings, statements, (whether verbal or written) or actions of any party. This waiver is given as a material inducement to Lender to accept this Guaranty and to establish the Facility.

5. Primary Liability of the Guarantor. The Guarantor agrees that this Guaranty may be enforced by the Lender. The Guarantor further agrees that nothing contained herein shall prevent the Lender, from suing on the Note or from exercising any other rights available to it under the Note, the Revolving Credit Agreement, or any other instrument evidencing the Obligations if neither the Borrower nor the Guarantor timely performs the Obligations, and the exercise of any of the aforesaid rights shall not constitute a discharge of any of the Guarantor's obligations hereunder, it being the purpose and intent of the Guarantor that the Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither the Guarantor's obligations under the Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of the Borrower or any co-guarantor or by reason of the Borrower's or any co-guarantor's bankruptcy or insolvency. The Guarantor acknowledges that the term "Obligations" as used herein includes any payments made by the Borrower to the Lender and subsequently recovered by the Borrower or a trustee for the Borrower pursuant to the Borrower's bankruptcy or insolvency. At any time the Lender is entitled to exercise its remedies hereunder, it may in its discretion elect

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to demand payment or performance. In the event the Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Obligations have been paid in full. In the event the Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Obligations have been paid in full.

6. No Impairment. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the liability of Guarantor hereunder shall in no way be limited or impaired by, and Guarantor hereby assents to and agrees to be bound by, any amendment or modification of the provisions of the Loan Documents to or with Lender by Borrower or any other Guarantor. In addition, the liability for the repayment of the Obligations to the Lender of Guarantor under this Guaranty and the other Loan Documents shall in no way be limited or impaired by:

- A. any extensions of time for performance required by any of the Loan Documents;
- B. any amendment to or modification of any of the Loan Documents;
- C. any sale or assignment of the Loan;
- D. the accuracy or inaccuracy of any of the representations or warranties made by or on behalf of Borrower, any general partner of Borrower, or Guarantor, under any Loan Document or otherwise;
- E. the release of Borrower, or any other person or entity, from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, Lender's voluntary act, or otherwise;
- F. the filing of any bankruptcy or reorganization proceeding by or against Borrower;
- G. the release of any other party now or hereafter liable upon or in respect of this Guaranty or any of the other Loan Documents; or
- H. the invalidity or unenforceability of all or any portion of any of the Loan Documents as to Borrower or any other person or entity.

Any of the foregoing may be accomplished with or without notice to Borrower, or any Guarantor and with or without consideration

7. Waiver of Subrogation Rights. The Guarantor agrees that (i) during the period prior to the payment in full of the Obligations the Guarantor shall have no rights of subrogation, reimbursement, contribution, exoneration or indemnity whatsoever against Borrower for the Guarantor's payment to the Lender of the Guarantor's obligation under this Guaranty (hereinafter referred to as the "Rights"), and (ii) the Guarantor waives and renounces but only during the period set forth in (i) above any Rights the Guarantor has or may have against the Borrower for the Guarantor's payment to the Lender of Guarantor's obligations under this Guaranty. This waiver is expressly intended to prevent the existence of any claim (as defined in the Bankruptcy Code) in respect of such Rights by the Guarantor and to prevent the Guarantor from being a creditor of Borrower due to such Rights unless the Lender has received payment in full of the Obligations.

8. Attorney's Fees and Costs of Collection. If at any time or times hereafter the Lender employs counsel to pursue collection, to intervene, to sue for enforcement of the terms hereof or of

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the Revolving Credit Agreement, the Note, or the Loan Documents, or to file a petition, complaint, answer, motion or other pleading in any suit or proceeding relating to this Guaranty or the Revolving Credit Agreement, the Note, or the Loan Documents, then in such event, all of the reasonable attorneys' fees relating thereto shall be an additional liability of the Guarantor to the Lender, payable on demand.

9. Term of Guaranty; Warranties. This Guaranty shall continue in full force and effect until the Obligations are fully paid. This Guaranty covers the Obligations whether presently outstanding or arising subsequent to the date hereof including all Advances under the Facility made pursuant to the Revolving Credit Agreement, the Note, or the Loan Documents. The Guarantor warrants and represents to the Lender, (i) that this Guaranty is binding upon and enforceable against the Guarantor, in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not violate or constitute a breach of any agreement to which the Guarantor is a party or of any applicable laws, (iii) that there is no litigation, claim, action or proceeding pending, or to the best knowledge of the Guarantor, threatened against the Guarantor which would materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to submit to the Lender financial statements in accordance with the terms and provisions of the Revolving Credit Agreement. Guarantor agrees to promptly inform the Lender of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. This Guaranty is binding on and enforceable against the Guarantor, its successors and assigns. The Guarantor represents and warrants that (i) it is a corporation duly organized, existing and in good standing under the laws of the State of North Carolina, with stock outstanding that has been duly and validly issued, (ii) it has the corporate power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Guaranty and the Loan Documents, and (iii) the execution and delivery of this Guaranty and the performance and observance of the provisions hereof have been duly authorized by all necessary corporate and, if required, stockholder action.

10. Further Representations and Warranties. The Guarantor further represents to the Lender that the Guarantor has knowledge of the Borrower's financial condition and affairs and represents and agrees that it will keep so informed while the Guaranty is in force. The Guarantor agrees that the Lender will have no obligation to investigate the financial condition or affairs of the Borrower for the benefit of the Guarantor nor to advise the Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Borrower which might come to the knowledge of the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantor or might (or does) materially increase the risk of the Guarantor as guarantor or might (or would) affect the willingness of the Guarantor to continue as guarantor with respect to the Obligations.

11. Additional Liability of the Guarantor. If the Guarantor is or becomes liable for any indebtedness owing by the Borrower to the Lender by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all the same force and effect it would have if this Guaranty had not existed and the Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

12. Cumulative Rights. All rights of the Lender hereunder or otherwise arising under any documents executed in connection with the Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting or limiting any other right of the Lender and without affecting or impairing the liability of the Guarantor.

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13. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from the Guarantor of interest in excess of the maximum rate or amount that the Guarantor may be required or permitted to pay pursuant to any applicable law.

14. Multiple Counterparts; Pronouns; Captions; Severability. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

15. Lender Assigns. This Guaranty is intended for and shall inure to the benefit of the Lender and each and every person who shall from time to time be or become the owner or holder of any of the Obligations, and each and every reference herein to the "Lender" shall include and refer to each and every successor or assignee of the Lender at any time holding or owning any part of or interest in any part of the Obligations.

This Guaranty shall be transferable and negotiable with the same force and effect and to the same extent, that the Obligations are transferable and negotiable, it being understood and stipulated that upon assignment or transfer by the Lender of its rights and duties under the Revolving Credit Agreement or by the Lender of any of the Obligations, the successor under the Revolving Credit Agreement, or the legal holder or owner of said Obligations (or a part thereof or interest therein thus transferred or assigned by the Lender), as the case may be, shall (except as otherwise stipulated by the Lender in its assignment) have and may exercise all of the rights granted to the Lender under this Guaranty to the extent of that part of or interest in the Obligations thus assigned or transferred to said person. The Guarantor expressly waives notice of transfer or assignment of the Obligations, or any part thereof, or of the rights of the Lender hereunder. Failure to give notice will not affect the liability of the Guarantor hereunder.

16. Application of Payments. The Lender may apply any payments received by it from any source against that portion of the Obligations (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.

17. Notices. All notices required to be given hereunder shall be in writing and shall be deemed served at the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, or (iii) upon delivery when deposited with Federal Express, Airborne Express, or other similar courier providing next-day deliveries, in each case, addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required.

to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street [zip 27408]  
P.O. Box 29168  
Greensboro, NC 27429  
Attention: Mr. Stanley K. Tanger and  
Ms. Virginia Summerell

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to the Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02109  
Attn: Commercial Real Estate Loan Administration

Personal delivery or any officer, agent or employee of a party at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice of demand herein provided or to require giving of notice or demand to or upon the Guarantor in any situation or for any reason.

18. Governing Law. This Guaranty shall be deemed to be a contract made under and for all purposes shall be construed in accordance with, the internal laws and judicial decisions of the Commonwealth of Massachusetts. The Guarantor and the Lender agree that any dispute arising out of this Guaranty shall be subject to the jurisdiction of both the state and federal courts in the Commonwealth of Massachusetts. For that purpose, the Guarantor hereby submits to the jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. The Guarantor further agrees to accept service of process out of any of the before mentioned courts in such dispute by registered or certified mail addressed to the Guarantor.

19. Federal Tax Identification Number. The Guarantor hereby certifies to the Lender that the Guarantor's federal tax identification number is 56-1815473.

20. Lender Covenants. Notwithstanding any other provisions of this Guaranty by accepting this Guaranty Lender warrants, covenants and agrees as follows: (a) Lender will not institute an action against the Guarantor or exercise any of Lender's remedies under this Guaranty unless and until an Event of Default (as defined in the Revolving Credit Agreement) has occurred and is continuing; (b) the Facility may be prepaid in full without penalty (other than any payments due as a result of prepaying a Eurodollar Advance (as defined in the Note) prior to the termination of the then applicable Interest Period (as defined in the Note) at any time during which an Event of Default has occurred and is continuing; and (c) Lender will not enforce its rights against the Guarantor, unless in the same proceeding, the Lender shall also seek recovery (unless Lender is prohibited, temporarily or permanently, by bankruptcy, dissolutions, injunction, inability to achieve service of process or other similar legal impediment) from the Borrower of any outstanding balance due on the Obligations. Nothing herein shall limit Lender's rights against Guarantor to pursue only a deficiency judgment or otherwise obligate Lender to take actions other than as set forth above.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal as of the day and year first above written.

TANGER FACTOR OUTLET CENTERS,  
INC.

[CORPORATE SEAL]

By: \_\_\_\_\_  
Stanley K. Tanger  
Chairman of the Board  
Chief Executive Officer

ATTEST:

- \_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing Guaranty Agreement was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 199\_, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

-----  
Print Name:  
Notary Public, State of \_\_\_\_\_  
My Commission Number is: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

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REVOLVING CREDIT AGREEMENT

Dated: As of December 18, 1997

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

("Borrower")

and

FLEET NATIONAL BANK

("Lender")

\$25,000,000.00

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#### REVOLVING CREDIT AGREEMENT

This is a Revolving Credit Agreement (this "Revolving Credit Agreement") made and entered into as of the 18th day of December, 1997, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") and FLEET NATIONAL BANK, a national banking association having an address at 75 State Street, Boston, Massachusetts, 02109 ("Lender").

#### WITNESSETH:

##### 1. BACKGROUND.

1.1 Defined Terms. Capitalized terms used in this Revolving Credit Agreement are defined either in Exhibit A, or in specific sections of this Revolving Credit Agreement, or in another Loan Document, as referenced in Exhibit A

1.2 Borrower. Borrower is a limited partnership organized under the laws of the State of North Carolina of which the sole general partner is Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina.

1.3 Use of Proceeds. Borrower has applied to Lender to establish a revolving line of credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to closing the Facility.

1.4 Guaranties and Indemnities. As an inducement to Lender to establish the Facility, Tanger Factory Outlet Centers, Inc., having an address a 1400 West Northwood Street, Greensboro, North Carolina (the "Guarantor") has agreed to furnish a certain guaranty.

1.5 Facility. Subject to all of the terms, conditions and provisions of this Revolving Credit Agreement, and of the agreements and instruments referred to herein, Lender agrees to establish the Facility and Borrower agrees to accept and repay proceeds outstanding under the Facility.



## 2. ESTABLISHMENT OF FACILITY.

2.1 Facility. The Lender hereby establishes the Facility in the Borrower's favor pursuant to which the Lender agrees to lend to the Borrower until the Termination Date, and the Borrower agrees to borrow from the Lender, from time to time, loans and advances (the "Advances"), provided that the aggregate principal amount of the Facility at any one time outstanding hereunder shall not exceed the Maximum Commitment Amount.

2.2 Advances. The Borrower may request in writing Advances under the Facility.

2.2.1 Time of Advance. At the time of each Advance under the Facility, the Borrower shall immediately become indebted to the Lender for the amount thereof. Each Advance made by the Lender may, at the Lender's option, be (i) credited by the Lender to any deposit account of the Borrower; (ii) paid to the Borrower; or (iii) applied to any Obligation of the Borrower to the Lender (each of the foregoing of which may be by check, draft, or other written order or by bank wire or other transfer).

2.2.2 Certifications. Upon requesting an Advance under the Facility, the Borrower shall be deemed to have certified that as of the date of such request, the following representations are each true and correct:

(i) to the best of the Borrower's knowledge, there has been no material adverse change in the Borrower's or Guarantor's financial condition from the most recent financial information furnished the Lender pursuant to this Revolving Credit Agreement; and

(ii) to the best of the Borrower's knowledge, the Borrower and the Guarantor are in compliance with, and have not breached any of, the covenants contained in this Revolving Credit Agreement; and

(iii) no event has occurred nor failed to occur which occurrence or failure is, or with the passage of time or giving of notice (or both), would constitute, an Event of Default (as described herein), whether or not the Lender has exercised any of its rights upon such occurrence or failure.

2.3 Maximum Facility. The maximum availability under the Facility shall be \$25,000,000.00 (the "Maximum Commitment Amount").

2.4 Interest Rate and Payment Terms. The Facility shall be payable as to interest and principal in accordance with the provisions of a certain Promissory Note dated even date herewith

(the "Note"). The Note also provides for interest at a Default Rate (as defined in the Note), Late Charges (as defined in the Note) and prepayment rights and fees.

## 2.5 Fees.

2.5.1 Commitment Fee. Borrower shall pay a loan commitment fee in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00), representing one half of one percent (0.50%) of the Maximum Commitment Amount, of which Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid previously, (ii) Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid as of the date hereof, and (iii) the balance of which shall be payable on the earlier of (x) the date one (1) year from the date hereof or (y) the Termination Date; provided however, the Commitment Fee shall be entirely earned as of the date hereof.

2.5.2 Facility Fee. Borrower shall pay annually, as compensation for the Lender's maintenance of sufficient funds available for such purpose, in arrears, a facility fee in an amount equal to twelve and one half (12.5) basis points computed on the average undrawn portion of the Facility. The facility fee shall be calculated as of the 18th day of December of each year; provided however, as of the Termination Date, the facility fee shall be calculated in its entirety for that portion of the year expired as of the Termination Date. The facility fee shall be due and payable on or before twenty (20) days

after Borrower's receipt of a statement from the Lender as to the amount of such facility fee. The Lender agrees to provide the Borrower with a worksheet detailing each calculation of the average undrawn portion of the Facility.

3. LOAN DOCUMENTS. The obligations outstanding under the Facility together with interest thereon and all other charges and amounts payable by, and all other obligations of, Borrower to Lender, whenever incurred, direct or indirect, absolute or contingent, arising under the Facility or the Loan Documents ("Obligations") shall be made, evidenced, administered, and governed by all of the terms, conditions and provisions of the "Loan Documents", each as the same may be hereafter modified or amended, consisting of: (i) this Revolving Credit Agreement; (ii) the Note; (iii) the Guaranty from Guarantor; and (iv) any other documents, instruments, or agreements executed to further evidence or secure the Facility. Each of the Loan Documents listed in items (i) through (iv), inclusive is dated of even date herewith.

4. CONTINUING AUTHORITY OF AUTHORIZED REPRESENTATIVES. Lender is authorized to rely upon the continuing authority of the persons, officers, signatories or agents hereafter designated

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("Authorized Representatives") to bind Borrower with respect to all matters pertaining to establishment of the Facility and the Loan Documents including, but not limited to, requests for Advances and the selection of interest rates. Such authorization may be changed only upon written notice to Lender accompanied by evidence, reasonably satisfactory to Lender, of the authority of the person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by Lender. The present Authorized Representatives are listed on Exhibit C. Lender shall have a right of approval, not to be unreasonably withheld or delayed, over the identity of the Authorized Representatives so as to assure Lender that each Authorized Representative is a responsible and senior official of Borrower.

5. CONDITIONS PRECEDENT. It shall be a condition precedent of Lender's obligation to establish the Facility and make each future Advance thereunder that each of the following conditions precedent be satisfied in full (as determined by Lender in its discretion, which discretion shall be exercised in good faith), unless specifically waived in writing by Lender at or prior to closing and at or prior to each Advance under the Facility:

5.1 Satisfactory Loan Documents. Each of the Loan Documents shall be satisfactory in form, content and manner of execution and delivery to Lender and its counsel.

5.2 No Material Change. No material adverse change shall have occurred in the financial condition, business, affairs, operations or control of Borrower or Guarantor, since the date of their respective financial statements most recently delivered to Lender: as of the date hereof, September 30, 1997 for Borrower; September 30, 1997 for Guarantor.

5.3 Warranties and Representations Accurate. All warranties and representations made by or on behalf of any of Borrower, or Guarantor, to Lender shall be true, accurate and complete in all material respects and shall not omit any material fact necessary to make the same not misleading.

5.4 Financials. Lender shall have received and approved financial statements from Borrower and Guarantor complying with the standards set forth in Section 7.2.

5.5 Hazardous Waste, Hazardous Materials and Toxic Substances. The Lender shall have received, and in its sole discretion approved, satisfactory reports from acceptable, qualified professionals prepared in accordance with Lender's protocols indicating the acceptability of the environmental risk for such of the Borrower's properties, as requested by the Lender.

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5.6 Organizational Documents and Entity Agreements. Lender shall have received and approved (i) the partnership agreement and organizational documents of the Borrower and (ii) the corporate organizational documents of the Guarantor.

5.7 Votes, Consents and Authorizations. Lender shall have received and approved certified copies of all partnership, entity and corporate votes, consents and authorizations as may be reasonably required to evidence authority for: (i) establishing the Facility and the transactions contemplated hereby; (ii) providing continuing authorization to designated persons to deal in all respects on behalf of Borrower; and (iii) the execution of all Loan Documents.

5.8 Legal and Other Opinions. Lender shall have received and approved legal opinion letters from counsel representing Borrower and Guarantor which meet Lender's legal opinion requirements previously furnished to Borrower and Guarantor.

5.9 Leasing Matters. To the extent requested, Lender shall have received and approved current rent rolls for the Borrower's properties.

5.10 No Event of Default. There shall not be any Event of Default under any of the Loan Documents.

6. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents to Lender for the express purpose of inducing Lender to enter into this Revolving Credit Agreement, to make Advances under the Facility, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Revolving Credit Agreement, upon the date the initial Advance is funded and at all times thereafter until the Facility has been repaid and all Obligations to Lender have been satisfied as follows:

6.1 Financial Information. True, accurate and complete financial statements of Borrower and Guarantor have been delivered to Lender and the same fairly present the financial condition of Borrower and Guarantor as of the dates thereof and no material and adverse change has occurred in such financial condition since the dates thereof. All financial statements of Borrower and Guarantor hereafter furnished to Lender shall be true, accurate and complete and shall fairly present the financial condition of Borrower and Guarantor as of the dates thereof.

6.2 No Violations. The establishment of the Facility and the subsequent payment and performance of the obligations evidenced by the Loan Documents shall not constitute a violation of, or conflict with, any law, order, regulation, contract, agreement or organizational document to which Borrower or

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Guarantor is a party or by which Borrower or Guarantor, or the property thereof, may be bound.

6.3 No Litigation. There is no material litigation now pending, or to the best of Borrower's knowledge threatened, against Borrower or Guarantor which if adversely decided could materially impair the ability of Borrower or Guarantor to pay and perform its obligations hereunder or under the other Loan Documents.

6.4 Compliance With Legal Requirements and Environmental Legal Requirements. The use, operation, ownership, and development of the Borrower's properties comply with, and shall continue to comply with, all material Legal Requirements and Environmental Legal Requirements, and any and all covenants, conditions, restrictions or other matters which materially affect the Borrower's properties.

6.5 Required Licenses and Permits. All Licenses and Permits which are reasonably required in order to use, operate, own and develop the Borrower's properties in the usual course of business have been duly and properly obtained, and will remain in full force and effect, and have been, and shall be complied with, in all material respects.

6.6 Use of Proceeds. The Advances under the Facility shall be used solely and exclusively to provide funds to support development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to establishment of the Facility. No portion of the proceeds of the Facility shall be used directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase or carry any margin stock, or to extend credit to others for the purpose thereof, or to repay or refund indebtedness previously incurred for such purpose, or (ii) for any purpose which would violate or is inconsistent with the provisions of regulations of the Board of Governors of the Federal Reserve System including, without limitation, Regulations G, T, U and X thereof.

6.7 Entity Matters.

6.7.1 Organization.

(i) Borrower. Borrower is a duly organized validly existing limited partnership in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business

and to own its property, as now conducted or owned, and as contemplated by this Revolving Credit Agreement.

(ii) Guarantor. Guarantor is a duly organized validly existing corporation in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business, as now conducted, and as contemplated by this Revolving Credit Agreement.

6.7.2 Ownership and Taxpayer Identification Numbers. All of the general partners of Borrower, and a description of the ownership interests of Borrower held by the same, are listed in Exhibit B. The identity and ownership of any Guarantor which is not natural person is accurately stated on Exhibit B. The taxpayer identification numbers of Borrower and the Guarantor are accurately stated in Exhibit B.

6.7.3 Authorization. All required partnership and corporate actions and proceedings have been duly taken so as to authorize the execution and delivery by Borrower and, where applicable, Guarantor of the Loan Documents.

6.8 Valid and Binding. Each of the Loan Documents constitute legal, valid and binding obligations of Borrower and, where applicable, Guarantor, in accordance with the respective terms thereof, subject to bankruptcy, insolvency and similar laws of general application affecting the rights and remedies of creditors and, with respect to the availability of the remedies of specific enforcement, subject to the discretion of the court before which any proceeding therefor may be brought.

6.9 Deferred Compensation and ERISA. Borrower does not have any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by Title IV of the Employment Retirement Security Act of 1974, as now or hereafter amended ("ERISA") except as may be designated to Lender in writing by Borrower from time to time ("ERISA Plan") and no "Reportable Event" as defined in ERISA has occurred and is now continuing with respect to any such ERISA Plan. The establishing of the Facility, the performance by Borrower of its obligations under the Loan Documents and Borrower's conducting of its operations do not and will not violate any provisions of ERISA.

6.10 Conditions Satisfied. Assuming that Lender has approved all matters requiring their approval, all of the conditions precedent to establishing the Facility set forth in Section 5 have been satisfied.

6.11 No Material Change; No Event of Default. There has been no material adverse change in the financial condition, business, affairs or control of Borrower or Guarantor since the date of their respective last financial statements most recently delivered to the Lender in accordance with the requirements of Section 7.2 hereof. No Event of Default exists under any of the Loan Documents. There is no Event of Default on the part of Borrower or Guarantor under this Revolving Credit Agreement or any of the other Loan Documents and to the best of the Borrower's knowledge, no event has occurred and is continuing which could constitute an Event of Default under any Loan Document. Borrower has filed all required federal, state and local tax returns and has paid all taxes due pursuant to such returns or any assessments against Borrower or the Borrower's assets.

6.12 No Broker or Finder. Neither Borrower, nor Guarantor, nor anyone on behalf thereof, has dealt with any broker, finder or other person or entity who or which may be entitled to a broker's or finder's fee, or other compensation, payable by Lender in connection with establishing of the Facility.

6.13 Background Information and Certificates. All of the factual information contained or referred to in Section 1 of this Revolving Credit Agreement and in the Exhibits to this Revolving Credit Agreement or the other Loan Documents, and in the certificates and opinions furnished to Lender by or on behalf of Borrower in connection with the Facility, is true, accurate and complete in all material respects, and omits no material fact necessary to make the same not misleading.

6.14 Guarantor's Warranties and Representations. Borrower has no reason to believe that any warranties or representations made in writing by Guarantor to Lender are untrue, incomplete or misleading in any respect.

7. COVENANTS. Borrower covenants and agrees that from the date hereof and so long as any Obligations remain outstanding hereunder, or there exists any

availability to make Advances under the Facility, as follows:

7.1 Notices. Borrower shall, with reasonable promptness, but in all events within ten (10) days after it has actual knowledge thereof, notify Lender in writing of the occurrence of any act, event or condition (i) which constitutes an Event of Default under any of the Loan Documents or (ii) which would constitute, solely with the passage of time or the giving of notice, an Event of Default. Such notification shall include a written statement of any remedial or curative actions which Borrower proposes to undertake to cure or remedy such Event of Default.

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7.2 Financial Statements and Reports. Borrower shall furnish or cause to be furnished to Lender from time to time, the following financial statements and reports and other information, all in form, manner of presentation and substance acceptable to Lender:

7.2.1 Annual Statements. Within 120 days of the fiscal year end of the Borrower and the Guarantor, audited consolidating financial statements of Borrower and Guarantor prepared in accordance with GAAP, or other recognized method of accounting acceptable to Lender, consistently applied, by an independent, certified public accountant acceptable to Lender, such financial statements to include and to be supplemented by such detail and supporting data and schedules as Lender may from time to time reasonably determine, including, without limitation, consolidated financial statements consisting of a balance sheet as of the end of the fiscal year, income statements, and statements of cash flows for the fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, as reported in the Form 10-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all being certified by the General Partner of the Borrower and the chief financial officer of the Guarantor;

7.2.2 Periodic Statements. Within 45 days following the end of each fiscal quarter the following,

(i) Certified Internally Prepared Financial Statements. For the Borrower and the Guarantor, internally prepared financial statements consisting of the consolidated and consolidating balance sheets, income statements, and statement of cash flows for the quarter just ended, and for the fiscal year through the quarter, as reported in the Form 10-Q of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all certified by the General Partner and the chief financial officer of the Guarantor, as having been prepared in accordance with GAAP consistently applied; and

(ii) Certificate of Compliance. Contemporaneously with the delivery of the reports referred to in clause (i) above, a certification by the general partner of Borrower and the chief financial officer of the Guarantor (the "Certificate of Compliance") (x) as to the status and compliance of the financial covenants set forth in Section 8 below and (y) to the Borrower's knowledge that there is not occurring an Event of Default, which certification shall be in the form attached hereto as Exhibit D.

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7.2.3 Data Requested. Within a reasonable period of time and from time to time, but no more frequently than quarterly unless an Event of Default has occurred and is continuing, such other financial data or information as Lender may reasonably request with respect to the Borrower or the Guarantor, including, without limitation, the Form 8-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission.

7.3 Payment of Taxes and Other Obligations. Borrower shall duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges payable by it, or with respect to any of the Borrower's properties.

7.4 Conduct of Business; Compliance With Law. Borrower shall own, develop, operate and use its properties and conduct its affairs in a lawful manner and in compliance with all Legal Requirements and Environmental Legal Requirements applicable thereto and all provisions of ERISA to the extent that a failure to do so would result in a material adverse effect in the conduct of the Borrower's business or the ability of the Borrower to perform its obligations

hereunder.

7.5 Insurance. Borrower shall at all times maintain in full force and effect the insurance coverages satisfactory to the Lender. All insurance premiums shall be paid annually, in advance, and Lender shall be provided with evidence of such prepayment of insurance premiums prior to closing and upon the request of Lender. The Lender acknowledges that the insurance as of the date hereof as reflected in the Certificate of Insurance provided by the Borrower is satisfactory to the Lender.

7.6 Indemnification Against Payment of Brokers' Fees. Borrower agrees to defend, indemnify and save harmless Lender from and against any and all liabilities, damages, penalties, costs, and expenses, relating in any manner to any brokerage or finder's fees in respect of establishing the Facility.

7.7 Limitations On Certain Transactions. Borrower and Guarantor agrees to the following limitations:

7.7.1 No Merger or Acquisition. Neither the Borrower nor the Guarantor shall dissolve or liquidate, nor, without notice to the Lender, merge or consolidate with any other entity.

7.7.2 Guarantor's Status as a REIT. The Guarantor is and shall continue to be in compliance with all requirements of law relative to its status as a Real Estate Investment Trust ("REIT") (including without limitation the Securities Act and the Securities Exchange Act, and the applicable rules and regulations thereunder, state securities laws and

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"Blue Sky") applicable to it and its respective businesses, in each case, where the failure to comply would have a material adverse effect on the Guarantor's status as a REIT. The Guarantor has made all filings with and obtained all consents of the Securities and Exchange Commission as required under the Securities Act and the Securities Exchange Act in connection with the execution, delivery and performance by the Guarantor of each of the Obligations incurred in connection with the Loan Documents.

7.7.3 Limitations on Investments. Except for its interest in the Borrower, Guarantor shall be prohibited from investing in any other partnerships, corporations, limited liability companies or other entities whatsoever.

7.7.4 Limitations on Conduct. Guarantor shall be prohibited from engaging in, or conducting, any business whatsoever other than the operations conducted in its capacity as general partner of the Borrower.

7.7.5 Limitations on Acquisitions. Guarantor shall be prohibited from purchasing or acquiring any assets whatsoever other than those assets purchased or acquired in its capacity as general partner of the Borrower.

7.7.6 Consent to Certain Actions. The Guarantor shall be allowed to undertake any of the actions prohibited in Sections 7.7.3, 7.7.4 or 7.7.5, with the prior written consent of the Lender. In the event that the Borrower requests any such consent in writing, if the Lender does not within fifteen (15) Business Days of the Lender's receipt of such written request, and all information reasonably required in order to evaluate such request, provide either the Lender's written consent or disapproval thereof, such consent shall be deemed to have been granted by the Lender.

7.8 Deposit of Proceeds; Other Bank Accounts.

7.8.1 Borrower shall establish a demand (checking) account with Lender. The following account(s) have been opened for the purpose of creating a depository account for the Property: Account No. \_\_\_\_\_ at Fleet National Bank in the name of Tanger Properties Limited Partnership(the "Account").

7.8.2 Lender is hereby authorized, on or after the due date, to charge the Account with the amount of all payments due under this Revolving Credit Agreement, the Note or the other Loan Documents. The failure of Lender to so charge such account shall not affect or limit Borrower's obligation to make any required payment.

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7.8.3 (i) If any payment is not made when due under any of the Loan Documents, after giving regard to applicable grace periods, if any, or (ii) if any Event of Default or other event which would entitle Lender to accelerate the indebtedness under the Note; then, in any such event, any deposits, balances or other sums credited by or due from Lender in the Account, may to the fullest extent not prohibited by applicable law at any time or from time to time, without regard to the existence, sufficiency or adequacy of any other collateral, and without notice or compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise, all of which are hereby waived, be set off, debited and appropriated, and applied by Lender against any or all of Borrower's Obligations irrespective of whether demand shall have been made and although such Obligations may be unmatured, in such manner as Lender in its sole and absolute discretion may determine. Within five (5) Business Days of making any such set off, debit or appropriation and application with respect to the Account, Lender agrees to notify Borrower thereof, provided the failure to give such notice shall not affect the validity of such set off, debit or appropriation and application.

7.9 Place for Records: Inspection. Borrower shall maintain business records at the address specified at the beginning of this Revolving Credit Agreement, as such address may be changed upon notice to the Lender. Upon notice and at reasonable times during normal business hours Lender shall have the right (through such agents or consultants as Lender may designate) to examine Borrower's assets, including, without limitation, the Borrower's properties, and make copies of and abstracts from Borrower's books of account, correspondence and other records and to discuss its financial and other affairs with any of its partners and any accountants hired by Borrower, it being agreed that Lender shall use reasonable efforts to not divulge information obtained from such examination to others except in connection with Legal Requirements and in connection with administering the Facility, enforcing its rights and remedies under the Loan Documents and in the conduct, operation and regulation of its banking and lending business (which may include, without limitation, the transfer of the Facility or of participation interests therein). Any transferee of the Facility or any holder of a participation interest in the Facility shall be entitled to deal with such information in the same manner and in connection with any subsequent transfer of its interest in the Facility or of further participation interests therein.

7.10 Costs and Expenses. Borrower shall pay all fees, costs and expenses reasonably incurred by Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any subsequent amendments thereto, and the enforcement of Lender's rights under the Loan Documents,

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including, without limitation, reasonable legal fees and disbursements.

7.11 Indemnification. Borrower shall at all times, both before and after repayment of the Obligations, at its sole cost and expense defend, indemnify, exonerate and save harmless Lender and all those claiming by, through or under Lender ("Indemnified Party") against and from all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind whatsoever, including, without limitation, reasonable attorneys' fees and experts, fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Party and arising from or out of:

(i) any Hazardous Materials or any violation of any Environmental Legal Requirements applicable to the Borrower's properties, the Borrower, or both;

(ii) any liability for damage to person or property arising out of any violation of any Legal Requirement applicable to the Borrower's properties, Borrower, or both; or

(iii) any act, omission, negligence or conduct at the Borrower's properties, or arising or claimed to have arisen, out of any act, omission, negligence or conduct of Borrower or any contractor, sub contractor, tenant, occupant or invitee thereof, which is in any way related to the Borrower's properties.

Notwithstanding the foregoing, an Indemnified Party shall not be entitled to indemnification in respect of claims arising from acts of its own gross negligence or willful misconduct to the extent that such gross negligence or willful misconduct is determined by the final judgment of a court of competent jurisdiction, not subject to further appeal, in proceedings to which such Indemnified Party is a proper party.

7.12 Maintenance of Borrower's properties. Borrower shall protect and maintain, or cause to be maintained, in a manner consistent with Borrower's current maintenance standards at all times, the buildings and structures now standing or hereafter erected on the Borrower's properties, and any additions and improvements thereto, and all personal property now or hereafter situated therein, and the utility services, the parking areas and access roads, and all building fixtures and equipment and articles of personal property now or hereafter acquired and used in connection with the operation of the Borrower's properties.

7.13 Acquisitions and Dispositions of Borrower's assets. Borrower shall provide Lender with written notice of all

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dispositions or acquisitions of Projects within fifteen (15) days of said disposition or acquisition.

7.14 Replacement Documentation. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon surrender and cancellation of such Note or other security document, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor.

8. FINANCIAL COVENANTS. Each of the financial covenants set forth hereunder shall be calculated as of the Calculation Date, and shall be determined in a manner acceptable to Lender.

8.1 Fair Market Minimum Net Worth. Borrower shall maintain a Fair Market Minimum Net Worth equal to or in excess of \$175,000,000.00.

8.2 Total Liabilities to Total Adjusted Asset Value. Borrower shall not permit the ratio of Total Liabilities to Total Adjusted Asset Value to exceed sixty (60%) percent.

8.3 Secured Indebtedness to Total Adjusted Asset Value. Borrower shall not permit the ratio of Secured Indebtedness to Total Adjusted Asset Value to exceed forty (40%) percent.

8.4 EBITDA to Debt Service. Borrower shall maintain the ratio of (i) EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) Debt Service for the twelve (12) month period ending on such Calculation Date equal to or in excess of 2.0: 1.0.

8.5 Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value. Borrower shall not permit the ratio of Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value to exceed sixty (60%) percent.

8.6 Unencumbered EBITDA to Total Outstanding Unsecured Indebtedness. Borrower shall maintain the ratio of (i) Unencumbered EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) that portion of interest expense attributable to Total Outstanding Unsecured Indebtedness for the twelve (12) month period ending on the Calculation Date, equal to or in excess of 2.25: 1.0.

8.7 Distributions. Annual dividends and distributions will not exceed Funds From Operations, and will be measured at each fiscal year end.

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8.8 Projects Under Development to Total Adjusted Asset Value. Borrower will not permit the ratio of the cost value of Projects Under Development to exceed twenty five (25%) percent of Total Adjusted Asset Value.

8.9 Undeveloped Land Holdings to Total Adjusted Asset Value. Borrower shall not permit the ratio of cost value of all undeveloped holdings (raw land) (exclusive of any properties determined to be Projects Under Development) determined in accordance with GAAP to exceed fifteen (15%) percent of Total Adjusted Asset Value.

8.10 Total Variable Rate Indebtedness to Total Adjusted Asset Value. Borrower will not permit the ratio of Total Variable Rate Indebtedness to exceed twenty (20%) percent of Total Adjusted Asset Value.

9. EVENTS OF DEFAULT. The following provisions deal with Events of Default, notice, grace and cure periods, and certain rights of Lender following an Event of Default.



9.1 Events of Default. Each of the following events, unless cured within any applicable grace period set forth or referred to below in this Section 9.2 shall constitute an "Event of Default":

9.1.1 Generally. A default by Borrower in the performance of any term, provision or condition of this Revolving Credit Agreement to be performed by Borrower, or a breach, or other failure to satisfy, any other term, provision, condition, covenant or warranty under this Revolving Credit Agreement and such default is not waived and remains uncured beyond any applicable specific grace period provided for in this Revolving Credit Agreement, or as set forth in Section 9.2 below;

9.1.2 Note and Other Loan Documents. A default by Borrower in the payment of any principal or interest due under the Note on the due date thereof or performance of any term or provision of the Note, or of any of the other Loan Documents, or a breach, or other failure to satisfy, any other term, provision, condition or warranty under the Note, or any other Loan Document, regardless of whether the then undisbursed portion of the Facility is sufficient to cover any payment of money required thereby, and the specific grace period, if any, allowed for the default in question shall have expired without such default having been cured or waived;

9.1.3 Other Indebtedness. The occurrence of an event constituting a default (after the expiration of any applicable grace period without the cure or waiver thereof) under the terms of any other Indebtedness of the Borrower to

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any one third party in the amount in excess of Five Million Dollars (\$5,000,000.00); provided however, if the Indebtedness is non-recourse to the Borrower, the occurrence of an event constituting a default after the expiration of any applicable grace period without the cure or waiver thereof under the terms of such Indebtedness of the Borrower to any one third party in the amount in excess of Ten Million Dollars (\$10,000,000.00).

9.1.4 Financial Status and Insolvency.

A. Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment for the benefit of creditors; (iv) consent to, or acquiesce in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (v) file a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law; (vi) have a court of competent jurisdiction enter an order, judgment or decree appointing a receiver, liquidator or trustee of Borrower, or of the whole or any substantial part of the property or assets of Borrower, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for sixty (60) days; (vii) have a petition filed against it seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law and such petition shall remain undismissed for sixty (60) days; (viii) have, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assume custody or control of Borrower or of the whole or any substantial part of its property or assets and such custody or control shall remain untermiated or unstayed for sixty (60) days; (ix) have an attachment or execution levied against any substantial portion of the real estate owned by Borrower; or (x) have any materially adverse change in its financial condition since the date of this Revolving Credit Agreement; or

B. any such event as set forth in Section 9.1.3 or Section 9.1.4. A. shall occur with respect to any Guarantor or any general partner of Borrower; or

9.1.5 Breach of Representation or Warranty. Any material representation or warranty made by Borrower or

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Guarantor herein or in any other instrument or document relating to the Facility shall at any time be materially false or misleading, or any warranty shall be materially breached and such is not waived by Lender;

9.1.6 Guarantor Default. A default by Guarantor in the performance of any term or provision of any Loan Document to which Guarantor is a party, or the breach, or any other failure to satisfy any other term, provision, condition or warranty imposed upon the Guarantor in any Loan Document to which Guarantor is a party or by which Guarantor is bound, after the expiration of any applicable grace period without the cure or waiver thereof, such cure period being determined in the same manner as for the Borrower.

9.2 Grace Periods and Notice. As to each of the foregoing events the following provisions relating to grace periods and notice shall apply:

9.2.1 No Notice or Grace Period. There shall be no grace period and no notice provision with respect to the payment of principal at maturity and no grace period and no notice provision with respect to defaults related to the voluntary filing of bankruptcy or reorganization proceedings or an assignment for the benefit of creditors, or with respect to nonmonetary defaults which are not reasonably capable of being cured, or with respect to a breach of a material warranty or representation under Section 6.

9.2.2 Nonpayment of Interest. As to any payment which is made by an overdraft to Borrower's account which overdraft is not repaid within three (3) Business Days or as to the nonpayment of interest, there shall be a ten (10) day grace period without any requirement of notice from Lender.

9.2.3 Other Monetary Defaults. All other monetary defaults shall have a five (5) Business Day grace period following notice from Lender, or, if shorter, a grace period without notice until five (5) Business Days before the last day on which payment is required to be made in order to avoid: (i) the cancellation or lapse of required insurance, or (ii) a tax sale or the imposition of late charges or penalties in respect of taxes or other municipal charges.

9.2.4 Nonmonetary Defaults Capable of Cure. As to nonmonetary defaults which are reasonably capable of being cured or remedied, unless there is a specific shorter or longer grace period provided for in this Revolving Credit Agreement or in another Loan Document, there shall be a thirty (30) day grace period following notice from Lender or, if such default would reasonably require more than thirty (30) days to cure or remedy, such longer period of time not to exceed a total of one hundred and twenty (120)

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days from Lender's notice as may be reasonably required so long as Borrower shall commence reasonable actions to remedy or cure the default within thirty (30) days following such notice and shall diligently prosecute such curative action to completion within such one hundred and twenty (120) day period. However, where there is an emergency situation in which there is danger to person or property such curative action shall be commenced as promptly as possible. As to breaches of warranties and representations (other than those related to financial information or construction documents) there shall be a thirty (30) day grace period following notice from Lender.

Lender: 9.3 Certain Lender Remedies. If an Event of Default shall occur,

9.3.1 Accelerate Debt. May declare the indebtedness evidenced by the Note and the Obligations immediately due and payable (provided that in the case of a voluntary petition in bankruptcy filed by Borrower or (after the expiration of the grace period if any set forth above) an involuntary petition in bankruptcy filed against Borrower, such acceleration shall be automatic). Upon such an acceleration all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate and any applicable Yield Maintenance Prepayment Fee (as defined in the Note); and

9.3.2 Pursue Remedies. May pursue any and all remedies provided for hereunder, or under any one or more of the other Loan Documents.

9.3.3 Written Waivers. If an Event of Default is waived by Lender, in its sole discretion, pursuant to a specific written instrument executed by an authorized officer of Lender, the Event of Default so waived shall be deemed to have never occurred.

#### 10. ADDITIONAL REMEDIES OF LENDER.

10.1 Remedies. Upon the occurrence of an Event of Default, whether or not the indebtedness evidenced by the Note shall be due and payable or Lender shall have instituted any action for the enforcement of the Note, Lender may, in addition to any other remedies which Lender may have hereunder or under the other Loan Documents, and not in limitation thereof, and in Lender's sole and absolute discretion, proceed to protect and enforce its rights and remedies under this Revolving Credit Agreement, the Note or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Revolving Credit Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are

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evidenced, including as permitted by applicable law, the obtaining of the ex parte appointment of a receiver, and, if any amount owed to the Lender shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Lender. No remedy conferred upon the Lender or the holder of the Note in this Revolving Credit Agreement or in any of the other Loan Documents is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

10.2 Reimbursement. Lender shall have the right to collect and seek reimbursement for all sums paid or incurred pursuant to any of the Loan Documents, including Section 7.10, and all payments made or incurred by Lender hereunder shall be paid by Borrower to Lender upon demand with interest at the Default Rate from the date of payment by Lender to the date of payment to Lender.

10.3 Power of Attorney. For the purpose of exercising the rights granted by this Section 10.3, as well as any and all other rights and remedies of Lender, Borrower hereby irrevocably constitutes and appoints Lender (or any agent designated by Lender) its true and lawful attorney-in-fact, upon and following any Event of Default, to execute, acknowledge and deliver any instruments and to do and perform any acts permitted hereunder or by law in the name and on behalf of Borrower.

#### 11. GENERAL PROVISIONS.

11.1 Notices. Any notice or other communication (other than routine reporting as required under the Loan Documents) in connection with this Revolving Credit Agreement, the Note, or any of the other Loan Documents, shall be in writing, and (i) deposited in the United States Mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service such as Federal Express, or (iii) sent by facsimile transmission, if a FAX Number is designated below, provided a copy is also sent by first-class mail addressed:

If to Borrower:

Tanger Properties Limited Partnership  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

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Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

If to Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02108  
FAX Number: (617) 346-3220  
Attention: Commercial Real Estate Loan

Administration Manager

with copies by regular mail or such hand delivery or facsimile transmission to:

Riemer & Braunstein  
Three Center Plaza  
Boston, Massachusetts 02108  
FAX Number: (617) 723-6831  
Attention: Steven J. Weinstein, Esquire

If to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

Any such addressee may change its address for such notices to such other address in the United States as such addressee shall have specified by written notice given as set forth above. All periods of notice shall be measured from the deemed date of delivery.

A notice shall be deemed to have been given, delivered and received for the purposes of all Loan Documents upon the earliest

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of: (i) if sent by such certified or registered mail, on the third Business Day following the date of postmark, or (ii) if hand delivered at the specified address by such courier or over night delivery service, when delivered or tendered for delivery during customary business hours on a Business Day, or (iii) if so mailed, on the date of actual receipt as evidenced by the return receipt, or (iv) if so delivered, upon actual receipt, or (v) if facsimile transmission is a permitted means of giving notice, upon receipt during customary business hours on a Business Day as evidenced by confirmation.

11.2 Limitations on Assignment. Borrower may not assign this Revolving Credit Agreement or the monies due thereunder without the prior written consent of Lender in each instance.

11.3 Further Assurances. Borrower shall upon request from Lender from time to time execute, seal, acknowledge and deliver such further instruments or documents which Lender may reasonably require to better perfect and confirm its rights and remedies hereunder, under the Note and under each of the other Loan Documents,

11.4 Parties Bound. The provisions of this Revolving Credit Agreement and of each of the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except as otherwise prohibited by this Revolving Credit Agreement or any of the other Loan Documents.

This Revolving Credit Agreement is a contract by and between Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against either Lender or Borrower by virtue of any provision hereof.

11.5 Waivers, Extensions and Releases. Lender may at any time and from time to time waive any one or more of the conditions contained herein or in any of the other Loan Documents, but any such waiver, extension or release shall be deemed to be made in pursuance and not in modification hereof, and any such waiver in any instance, or under any particular circumstance, shall not be considered a waiver of such condition in any other instance or any other circumstance.

11.6 Governing Law; Consent to Jurisdiction; Mutual Waiver of Jury Trial.

11.6.1 Substantial Relationship. It is understood and agreed

that all of the Loan Documents were negotiated, executed and delivered in the Commonwealth of Massachusetts the parties agree has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

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11.6.2 Place of Delivery. Borrower agrees to furnish to Lender at the Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

11.6.3 Governing Law. This Revolving Credit Agreement and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

11.6.4 Consent to Jurisdiction. Borrower hereby consents to personal jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

11.6.5 Jury Trial Waiver. BORROWER AND LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS REVOLVING CREDIT AGREEMENT, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO THE TRANSACTIONS CONTEMPLATED HEREBY.

11.7 Survival. All representations, warranties, covenants and agreements of Borrower, or Guarantor, herein or in any other Loan Document, or in any notice, certificate, or other paper delivered by or on behalf of Borrower or Guarantor pursuant hereto are significant and shall be deemed to have been relied upon by Lender notwithstanding any investigation made by Lender or on its behalf and shall survive the delivery of the Loan Documents and the establishment of the Facility and each advance pursuant thereto. No review by Lender, or by its representatives, of any opinion letters, certificates from professionals or other item of any nature shall relieve Borrower or anyone else of any of the obligations, warranties or representations made by or on behalf of Borrower or Guarantor, or any one or more of them, under any one or more of the Loan Documents.

11.8 Cumulative Rights. All of the rights of Lender hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole good faith judgment.

11.9 Claims Against Lender.

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11.9.1 Borrower Must Notify. Lender shall not be in default under this Revolving Credit Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, with reasonable promptness thereafter. Such actual knowledge or actual notice shall refer to what was actually known by, or expressed in a written notification furnished to, any of the persons or officials referred to in Exhibit C as Authorized Representatives.

11.9.2 Remedies. If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Lender has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, Lender's responsibilities shall be limited to: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of a Loan Document, the obligation to grant such consent or give such approval and to pay Borrower's reasonable costs and expenses including, without limitation, reasonable attorneys, fees and disbursements in connection with such court proceedings; and (ii) the case of any such failure to grant such consent or give such approval, or in the case of any other such default by Lender, where it is also so determined that Lender acted in bad faith, or that Lender's default constituted gross

negligence or willful misconduct, the payment of any actual, direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

11.9.3 Limitations. In no event, however, shall Lender be liable to Borrower or to Guarantor or anyone else for other damages such as, but not limited to, indirect, speculative or punitive damages whatever the nature of the breach by Lender of its obligations under this Revolving Credit Agreement or under any of the other Loan Documents. In no event shall Lender be liable to Borrower or to Guarantor or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within the time period specified above.

11.10 Obligations Absolute. Except to the extent prohibited by applicable law which cannot be waived, the Obligations of Borrower and the obligations of the Guarantor under the Loan Documents shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the

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terms of the Loan Documents under all circumstances whatsoever, including, without limitation, the existence of any claim, set off, defense or other right which Borrower or any Guarantor may have at any time against Lender whether in connection with the Facility or any unrelated transaction.

11.11 Table of Contents, Title and Headings. Any Table of Contents, the titles and the headings of sections are not parts of this Revolving Credit Agreement or any other Loan Document and shall not be deemed to affect the meaning or construction of any of their provisions.

11.12 Counterparts. This Revolving Credit Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of such loan agreement is sought.

11.13 Satisfaction of Commitment. The establishment of the Facility being made pursuant to the terms hereof and of the other Loan Documents is being made in satisfaction of Lender's obligations under the Commitment dated as of October 14, 1997. The terms, provisions and conditions of this Revolving Credit Agreement and the other Loan Documents supersede the provisions of the Commitment.

11.14 Right to Sell. Lender shall have the unrestricted right at any time or from time to time, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), subject to the Borrower's prior written approval as to the identity and number, such approval not to be unreasonably withheld, and Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Revolving Credit Agreement and to any other documents, instruments and agreements executed in connection herewith (provided such amendments do not increase Borrower's obligations or reduce or restrict Borrower's rights) as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the Note held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and

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written notice from the Lender to the Borrower of the effectiveness of such assignment, such Assignee shall be a party to this Revolving Credit Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligations hereunder and thereunder to a corresponding extent. Borrower shall be responsible for all fees and expenses incurred by Lender or any Assignee relating to an increase in the availability under the Facility and/or extension of the Maturity Date (as defined in the Note) of the Facility. Notwithstanding the rights and obligations granted to the Assignee, Lender shall act as sole agent for the Assignee's in connection with the Facility and Borrower shall continue to deal solely and

directly with Lender in connection with Lender's and Assignee's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

11.15 Right to Participate. Lender shall have the unrestricted right at any time and from time to time, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in Lender's obligation to lend hereunder and/or any or all of the loans held by Lender hereunder. In the event of any such grant by Lender of a participating interest to a Participant, whether or not upon notice to Borrower, Lender shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

Lender may furnish any information concerning Borrower in its possession from time to time to prospective Assignees and Participants, provided that Lender shall require any such prospective Assignee or Participant to agree in writing to maintain the confidentiality of such information.

11.16 Time Of the Essence. Time is of the essence of each provision of this Revolving Credit Agreement and each other Loan Document.

11.17 No Oral Change. This Revolving Credit Agreement and each of the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought (except no such writing shall be required for any party which, pursuant to a specific provision of any Loan Document, is required to be bound by changes without such party's assent). In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealings or the like be effective to amend, terminate,

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extend or otherwise modify this Revolving Credit Agreement or any of the other Loan Documents.

11.18 Monthly Statements. While Lender may issue invoices or other statements on a monthly or periodic basis (a "Statement"), it is expressly acknowledged and agreed that: (i) the failure of Lender to issue any Statement on one or more occasions shall not affect Borrower's obligations to make payments under the Loan Documents as and when due; (ii) the inaccuracy of any Statement shall not be binding upon Lender and so Borrower shall always remain obligated to pay the full amount(s) required under the Loan Documents as and when due notwithstanding any provision to the contrary contained in any Statement; (iii) all Statements are issued for information purposes only and shall never constitute any type of offer, acceptance, modification, or waiver of the Loan Documents or any of Lender's rights or remedies thereunder; and (iv) in no event shall any Statement serve as the basis for, or a component of, any course of dealing, course of conduct, or trade practice which would modify, alter, or otherwise affect the express written terms of the Loan Documents.

11.19 Exculpation. The Loan Documents have been negotiated, executed and delivered on behalf of the Borrower by its Authorized Representatives or by the Guarantor, in its capacity as the Borrower's sole general partner, or officers thereof in their representative capacity and not individually, and bind only the Borrower and Guarantor and no employee, agent, officer, partner or shareholder ("Exculpated Party") of the Borrower or Guarantor shall be bound or held to any personal liability in connection with the Obligations of the Borrower or Guarantor thereunder, and any person or entity dealing with the Borrower in connection therewith shall look solely to the Borrower and the Guarantor for the payment of any claim or for the performance of any obligation thereunder.

IN WITNESS WHEREOF this Revolving Credit Agreement has been duly executed and delivered as a sealed instrument.

BORROWER:

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: /s/ Stanley K. Tanger

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Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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LENDER:

FLEET NATIONAL BANK

By: /s/ Aron D. Levine

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Name: Aron D. Levine

Title: Vice-President

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EXHIBITS:

Exhibit A	-	Definitions
Exhibit B	-	Ownership Interests and Taxpayer Identification Numbers
Exhibit C	-	Authorized Representatives
Exhibit D	-	Certificate of Compliance

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EXHIBIT A TO REVOLVING CREDIT AGREEMENT

DEFINITIONS

Account as defined in Section 7.8.

Adjusted Unencumbered Asset Value shall mean, as of the Calculation Date, the sum of (A) plus (B):

"(A)" shall mean the sum of:

(i) 100% of Borrower's unrestricted operating cash and equivalents; plus

(ii) cost value of Projects Under Development which are included in Unencumbered Assets; plus

(iii) cost value of New Developments which are included in Unencumbered Assets.

"(B)" shall mean

(i) (x) an amount equal to Unencumbered EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the Unencumbered EBITDA of any dispositions during the subject fiscal quarter of Unencumbered Assets owned by the Borrower and (2) to deduct Unencumbered EBITDA for any Projects Under Development and New Developments which are included in Unencumbered Assets, each of which adjustments must be approved by the Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned the gross leasable area of Unencumbered Assets (excluding Projects Under Development and New Developments which are included in Unencumbered Assets); divided by

(ii) 0.10.

Advance(s) as defined in Section 2.1.

Authorized Representatives as defined in Section 4 and listed on Exhibit C.

Borrower as defined in the Preamble.

Business Day shall mean: any day of the year on which offices of Fleet National Bank are not required or authorized by law to be closed for business in Boston, Massachusetts. If any day on which a payment is due is not a Business Day, then the payment

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shall be due on the next day following which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no



"February 30th"), the payment shall be due on the last Business Day of the calendar month.

Calculation Date shall mean the last day of each calendar quarter commencing with December 31, 1997.

Certificate of Compliance as defined in Section 7.2.2.

Debt Service shall mean, as of the Calculation Date, the sum of all principal and interest payments due on all loan obligations of the Borrower for such period, exclusive of balloon maturity payments.

Dollars shall mean lawful money of the United States.

EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied and excluding earnings attributable to any project in which the Borrower owns a minority interest and any extraordinary gains or losses.

Environmental Legal Requirements shall mean all applicable past (which have current effect), present or future (which have effect during the term of the Facility) federal, state, county and local laws, rules, regulations, codes and ordinances, or any judicial or administrative interpretations thereof, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, without limitation, all orders, decrees, judgments, rulings, requirements, directives or notices of violation, imposed through any public or private enforcement proceedings, that create one or more duties, obligations, responsibilities or liabilities on the Borrower with respect to the existence, use, storage, treatment, discharge, release, containment, transportation, generation manufacture, refinement, handling, production, disposal or management of any Hazardous Materials, or otherwise regulating or providing for the protection of the environment, and further including, without limitation the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. ss.9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. ss.1801 et seq.), the Public Health Service Act (42 U.S.C. ss.300(f) et seq.), the Pollution Prevention Act (42 U.S.C. ss.13101 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 5136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. ss.6901 et seq.), the Federal Clean Water Act (33 U.S.C. ss.1251 et seq.), the Federal Clean Air Act (42 U.S.C. ss.7401 et seq.).

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ERISA and ERISA Plan each as defined in Section 6.9.

Event of Default as defined in Section 9.

Facility is defined in Section 1.3.

Fair Market Minimum Net Worth shall mean, as of the Calculation Date, the Borrower's Total Adjusted Asset Value less Total Liabilities.

Funds From Operations shall be as currently defined by NAREIT.

GAAP shall mean generally accepted accounting principles.

Guaranty shall mean the unconditional, continuing guaranty from Guarantor guaranteeing payment of the Facility, and performance of all Borrower's Obligations under the Loan Documents.

Guarantor as defined in Section 1.4.

Hazardous Materials shall mean and include asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls, radioactive substances, other carcinogens, oil and other petroleum products, pollutants or contaminants that could be a detriment to the environment, and any other hazardous or toxic materials, wastes, or substances in quantities which are defined, determined or identified as such in any Environmental Legal Requirement.

Indebtedness shall mean all obligations, contingent and otherwise in respect of (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all liabilities under capitalized leases; and (d) all guarantees, endorsements and other contingent obligations whether direct or indirect in respect of indebtedness of others, including the obligations to reimburse the issuer in respect of any letters of credit.

Indemnified Party as defined in Section 7.11.

Legal Requirements shall mean all applicable federal, state, county and local laws, rules, regulations, codes and ordinances, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, but not limited to, those applicable to zoning, subdivision, building, health, fire, safety, sanitation, the protection of the handicapped, and environmental matters and shall also include all orders and directives of any court, governmental agency or authority having or claiming jurisdiction as to the Borrower with respect thereto.

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Lender as defined in the Preamble.

Leverage shall mean, as of the Calculation Date, the ratio of Total Liabilities to Total Adjusted Asset Value.

Liabilities shall mean all Indebtedness and all other liabilities that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto.

Licenses and Permits shall mean all licenses, permits, authorizations and agreements issued by or agreed to by any governmental authority, and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as may be required pursuant to Legal Requirements which may be applicable to the Portfolio Properties.

Limited Partnership Agreement shall mean that certain limited partnership agreement of the Borrower dated as of December 16, 1993.

Loan Documents as defined in Section 3.

Maturity shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

Maturity Date as defined in the Note.

Maximum Commitment Amount as defined in Section 2.3.

NAREIT means the National Association of Real Estate Investment Trusts.

New Development shall mean, as of the Calculation Date, (x) any Project which was a Project Under Development during the prior quarterly reporting period and as to which conditions (i), (ii) and (iii) as provided for in the definition of Projects Under Development have been satisfied, and (y) any project acquired during the subject fiscal quarter, such project(s) being a New Development only for the subject quarterly reporting period.

Obligations as defined in Section 3.

Projects Under Development shall mean, as of the Calculation Date, any project under development by the Borrower (i) classified as construction in progress on the Borrower's quarterly financial statements; or (ii) as to which a certificate of occupancy has not been issued; or (iii) as to which a minimum of 70% of total gross leasable area has not been leased and occupied by paying tenants.

Prime Rate as defined in the Note.

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Projects shall mean any and all properties of the Borrower having buildings with a gross leaseable area in excess of 50,000 sq. ft.

Revolving Credit Agreement as defined in the Preamble.

Secured Indebtedness shall mean any Indebtedness of the Borrower secured by any encumbrance or by any security interest, lien, privilege, or charge on any real or personal property.

Statement as defined in Section 11.18.

Termination Date shall mean the earlier of (x) the occurrence of an Event of Default, or (y) the payment in full of Advances outstanding under the Facility and the termination of the Borrower's right to request Advances under the Facility, or (z) the Maturity Date.

Total Adjusted Asset Value shall mean, as of the Calculation Date, (A) plus (B) in which:

"(A)" shall mean the sum of:

(i) unrestricted cash and cash equivalents (excluding any tenant deposits); plus

(ii) cost value of Projects Under Development; plus

(iii) cost value of New Developments.

"(B)" shall mean:

(i) (x) an amount equal to EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the EBITDA of any dispositions during the subject fiscal quarter of projects owned by the Borrower and (2) to deduct EBITDA for any Projects Under Development or New Developments, each of which adjustments must be approved by Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned gross leasable area (excluding Projects Under Development and New Developments); divided by

(ii) 0.10.

Total Liabilities shall mean, as of the Calculation Date, the sum, after eliminating intercompany items, of all Liabilities (including, without limitation, deferred taxes) other than those liabilities relating to projects in which the Borrower owns a

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minority interest, of the Borrower determined in accordance with GAAP.

Total Outstanding Unsecured Indebtedness shall mean, as of the Calculation Date, all unsecured Indebtedness of the Borrower outstanding as of the end of such fiscal quarter, other than trade indebtedness incurred in the ordinary course of business.

Total Variable Rate Indebtedness shall mean, as of the Calculation Date, all Indebtedness as to which interest accrues or is payable at a variable interest rate, exclusive of any such Indebtedness as to which the Borrower has obtained a fixed rate interest hedge.

Unencumbered Assets shall mean real property that is wholly-owned by the Borrower or by a partnership in which the Borrower is the sole general partner that is not subject to a mortgage lien or to any agreement with any other lender that prohibits the creation of a lien on such property.

Unencumbered EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization on all Unencumbered Assets, all determined in accordance with GAAP consistently applied and excluding any extraordinary gains or losses with respect to Unencumbered Assets.

Yield Maintenance Prepayment Fee as defined in the Note.

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#### EXHIBIT B TO REVOLVING CREDIT AGREEMENT

##### OWNERSHIP INTERESTS AND TAXPAYER IDENTIFICATION NUMBERS

Borrower: Tanger Properties Limited Partnership  
Tax ID 56-1822494

Owners:

General Partners: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Limited Partner: Tanger Family Limited Partnership

Guarantor: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Owners: New York Stock Exchange Traded Public Company

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## EXHIBIT C TO REVOLVING CREDIT AGREEMENT

## AUTHORIZED REPRESENTATIVES

As of the date hereof:

Stanley K. Tanger  
 Frank C. Marchisello, Jr.  
 Rochelle G. Simpson  
 Virginia R. Summerell

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## EXHIBIT D

## CERTIFICATE OF COMPLIANCE

Date: \_\_\_\_\_

To: Fleet National Bank  
 75 State Street  
 Boston, Massachusetts

Re: Certificate of Compliance  
 Calculation Date: \_\_\_\_\_

Pursuant to Section 7.2.2 of the Revolving Credit Agreement (the "Revolving Credit Agreement") dated as of December 18, 1997 by and between Tanger Properties Limited Partnership (the "Borrower") and Fleet National Bank (the "Bank"), the undersigned hereby certifies: (i) to the best of the undersigned's knowledge, the information provided on the accompanying Financial Statements are true and accurate in all material respects; (ii) the Borrower is in compliance with the Financial Covenants contained in the Revolving Credit Agreement to the extent set forth below; (iii) to the best of the undersigned's knowledge, an Event of Default has not occurred and is continuing under the Revolving Credit Agreement.

All capitalized terms not otherwise defined herein shall have the same meaning as defined in the Revolving Credit Agreement, as applicable.

I. COVENANT COMPLIANCE. All calculations to support the information set forth in the "Actual" column below are attached hereto and are based upon the accompanying Financial Statements.

COVENANT	REQUIREMENT	ACTUAL
-----		
Fair Market Minimum Net Worth	\$175,000,000.00	
Total Liabilities to Total Adjusted Asset Value	Not to exceed 60%	
Secured Indebtedness to Total Adjusted Asset Value.	Not to exceed 40%	
EBITDA to Debt Service	Equal to or in excess of 2.0:1.0	

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Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value	Not to exceed 60%	
Unencumbered EBITDA TO Total Outstanding Unsecured Indebtedness	Equal to or in excess of 2.25: 1.0	
Distributions	Will not exceed Funds From	

Operations

Projects Under Development to Total Adjusted Asset Value Not to exceed 25%

Undeveloped Land Holdings to Total Adjusted Asset Value Not to exceed 15%

Total Variable Rate Indebtedness to Total Adjusted Asset Value Not to exceed 20%

II. LEVERAGE CALCULATION

1. Total Liabilities.....
2. Total Adjusted Asset Value.....
3. Total Liabilities/Total Asset Value.....

The undersigned certifies that the information provided herein is true and accurate, to the best of its knowledge.

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Financial Officer

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PROMISSORY NOTE

25,000,000.00

As of December 18, 1997

1. Promise To Pay.

FOR VALUE RECEIVED, TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") promises to pay to the order of FLEET NATIONAL BANK, a national banking association, having an address at 75 State Street, Boston, Massachusetts 02109 ("Lender"), the principal sum of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS, or so much thereof as may be advanced, with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, on each advance from the date of its disbursement until such principal sum shall be fully paid. Interest shall be payable in installments as set forth in Section 4 below. The total principal sum, or the amount thereof outstanding, together with any accrued but unpaid interest, shall be due and payable in full on January 15, 2000 ("Maturity Date"), which term is further defined in, and is subject to acceleration in accordance with, the Revolving Credit Agreement pursuant to which this Note has been issued.

2. Revolving Credit Agreement.

This Note is issued pursuant to the terms, provisions and conditions of an agreement captioned "Revolving Credit Agreement" dated as of even date between Borrower and Lender and evidences the Facility and Advances made pursuant thereto. Capitalized terms used herein which are not otherwise specifically defined shall have the same meaning herein as in the Revolving Credit Agreement.

3. Interest Rates.

3.1. Borrower's Options. Principal amounts outstanding under the Facility shall bear interest at the following rates, at Borrower's selection, subject to the conditions and limitations provided for in this Note: (i) Variable Rate or (ii) Eurodollar Rate.

3.1.1 Selection To Be Made. Borrower shall select, and thereafter may change the selection of, the applicable interest rate, from the alternatives otherwise provided for in this Note, by giving Lender a Notice of Rate

Selection: (i) prior to each Advance, or (ii) prior to the end of each Interest Period applicable to a Eurodollar Advance, or (iii) on any Business Day on which Borrower desires to convert an outstanding Variable Rate Advance to a Eurodollar Advance.

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3.1.2 Notice. A "Notice of Rate Selection" shall be a written notice, given by cable, tested telex, telecopier (with authorized signature), or by telephone if immediately confirmed by such a written notice, from an Authorized Representative of Borrower which: (i) is irrevocable; (ii) is received by Lender not later than 12:00 o'clock Noon Eastern Time: (a) if a Eurodollar Rate is selected, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply, (b) if a Variable Rate is selected, on the first day of the Interest Period to which it applies; and (iii) as to each selected interest rate option, sets forth the aggregate principal amount(s) to which such interest rate option(s) shall apply and the Interest Period(s) applicable to each Eurodollar Advance.

3.1.3 If No Notice. If Borrower fails to select an interest rate option in accordance with the foregoing prior to an Advance, or prior to the last day of the applicable Interest Period of an outstanding Eurodollar Advance, or if a Eurodollar Advance is not available, any new Advance made shall be deemed to be a Variable Rate Advance, and on the last day of the applicable Interest Period all outstanding principal amounts shall be deemed converted to a Variable Rate Advance.

3.2. Telephonic Notice. Without any way limiting Borrower's obligation to confirm in writing any telephonic notice, Lender may act without liability upon the basis of telephonic notice believed by Lender in good faith to be from an Authorized Representative of the Borrower prior to receipt of written confirmation. In each case Borrower hereby waives the right to dispute Lender's record of the terms of such telephonic Notice of Rate Selection.

3.3. Limits On Options, Selections Per Month. Each Eurodollar Advance shall be in a minimum amount of \$1,000,000 . At no time shall there be outstanding a total of more than five (5) Eurodollar Advances combined at any time. If Borrower shall make more than three (3) Eurodollar Rate selections in any thirty (30) day period, excluding conversions of outstanding advances made at the end of an applicable Interest Period of any previously outstanding Eurodollar Advance, Lender may impose and Borrower shall pay a reasonable processing fee for each such additional selection.

#### 4. Payment of Interest and Principal.

4.1. Payment and Calculation of Interest. All interest shall be: (a) payable in arrears commencing January 15, 1998 and on the same day of each month thereafter until the principal together with all interest and other charges payable with respect to the Facility shall be fully paid; and (b) calculated on the basis of a 360 day year and the actual number of days elapsed. Each change in the Prime Rate shall simultaneously change the Variable Rate payable under this Note. Interest at the Eurodollar Rate shall be computed

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from and including the first day of the applicable Interest Period to, but excluding, the last day thereof.

4.2. Principal. The entire principal balance shall be due and payable in full upon Maturity.

4.3. Prepayment. The Facility or any portion thereof may be prepaid in full or in part at any time upon three (3) days, prior written notice to the holder of this Note without premium or penalty with respect to Variable Rate Advances and, with respect to Eurodollar Advances subject to a Yield-Maintenance Fee. Any partial prepayment of principal shall first be applied to any installment of principal then due and then be applied to the principal due in the reverse order of maturity, and no such partial prepayment shall relieve Borrower of the obligation to pay each subsequent installment of principal when due.

4.4. Maturity. At maturity all accrued interest, principal and other charges due with respect to the Facility shall be due and payable in full and the principal balance and such other charges, but not unpaid interest, shall continue to bear interest at the Default Rate until so paid.

4.5. Method of Payment; Date of Credit. All payments of interest, principal and fees shall be made in lawful money of the United States in immediately available funds: (a) by direct charge to an account of Borrower

maintained with Lender (or the then holder of this Note), or (b) by wire transfer to Lender or (c) to such other bank or address as the holder of this Note may designate in a written notice to Borrower. Payments shall be credited on the Business Day on which immediately available funds are received prior to one o'clock P.M. Eastern Time; payments received after one o'clock P.M. Eastern Time shall be credited to the Facility on the next Business Day. Payments which are by check, which Lender may at its option accept or reject, or which are not in the form of immediately available funds shall not be credited to the Facility until such funds become immediately available to Lender, and, with respect to payments by check, such credit shall be provisional until the item is finally paid by the payor bank.

4.6. Billings. Lender may submit monthly billings reflecting payments due; however, any changes in the interest rate which occur between the date of billing and the due date may be reflected in the billing for a subsequent month. Neither the failure of Lender to submit a billing nor any error in any such billing shall excuse Borrower from the obligation to make full payment of all Borrower's payment obligations when due, however, if Borrower makes timely payment as specified in any such billing, the Borrower shall not be in default under the terms of this Note or any of the other Loan Documents due to the failure to pay any additional amount owed as reflected in any corrected billing (the "Additional Payment Amount"), unless the Borrower fails to pay the Additional Payment

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Amount within the grace period provided for in the Revolving Credit Agreement from the date on which the Borrower obtains knowledge of such error.

4.7. Default Rate. Lender shall have the option of imposing, and Borrower shall pay upon billing therefor, an interest rate which is four percent (4%) per annum above the interest rate otherwise payable ("Default Rate"): (a) while any monetary Default exists and is continuing, during that period between the due date and the date of payment; (b) following any Event of Default, unless and until the Event of Default is waived by Lender; and (c) after Maturity. Borrower's right to select pricing options shall cease upon the occurrence of a monetary Default or following any Event of Default.

4.8. Late Charges. Borrower shall pay, upon billing there for, a "Late Charge" equal to three percent (3%) of the amount of any payment of principal, other than principal due at Maturity, interest, or both, which is not paid within ten (10) days of the due date thereof. Late charges are: (a) payable in addition to, and not in limitation of, the Default Rate, (b) intended to compensate Lender for administrative and processing costs incident to late payments, (c) are not interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

4.9. Calculation of Yield Maintenance.

(i) The Yield Maintenance Fee due in accordance with Section 4.3 shall be calculated separately for each Eurodollar Advance prepaid prior to the expiration of the applicable Interest Period in accordance with the following:

(A) if the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is greater than the applicable Eurodollar Rate, there shall be no Yield Maintenance Fee payable for such installment or balance.

(B) If the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is less than the applicable Eurodollar Rate, the Yield Maintenance Fee shall equal the aggregate of all Present Values, computed separately for each such Eurodollar Advance having a separate Interest Period, of the product of:

1. the amount of each Eurodollar Advance prepaid, multiplied by
2. the amount by which the Eurodollar Rate, expressed as a percentage, exceeds the Treasury Rate, expressed as a percentage, computed separately for each

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Eurodollar Advance having a different Interest Period, and

3. which product in turn shall be multiplied by a fraction, computed separately for each Eurodollar Advance having a different Interest Period, the numerator of which is

the number of days from the date of prepayment to the last day of the applicable Interest Period and the denominator of which is 360.

(ii) The Yield Maintenance Fee shall be payable in respect of all prepayments of Eurodollar Advances whether voluntary or involuntary including, without limitation, prepayments made upon acceleration of the Facility.

(iii) once written notice of intention to prepay is given, the Facility, or the applicable portion thereof, shall become due and payable in full on the date specified in the notice of prepayment and the failure to so prepay on such date, together with any applicable Yield Maintenance Fees computed in accordance with Section 4.9(i), above, shall constitute an Event of Default.

## 5. Certain Definitions and Provisions Relating To Interest Rate.

5.1. Adjusted LIBOR Rate. The term "Adjusted LIBOR Rate" means for each Interest Period the rate per annum obtained by dividing (i) the LIBOR Rate for such Interest Period, by (ii) a percentage equal to one hundred percent (100%) minus the maximum reserve percentage applicable during such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirements (including, without limitation, any basic, supplemental, marginal and emergency reserve requirements) for Lender (or of any subsequent holder of this Note which is subject to such reserve requirements, provided such reserve percentage for such subsequent holder is not greater than the reserve percentage of Fleet National Bank) in respect of liabilities or assets consisting of or including Eurocurrency liabilities. (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) having a term equal to the Interest Period.

5.2. Applicable Increment. The term "Applicable Increment" means the additional amount of basis points added to the Adjusted LIBOR Rate for purposes of determining the Eurodollar Rate for any applicable Interest Period. The "Applicable Increment" shall be determined for each Interest Period on the first day of such Interest Period as follows:

(A) If the Leverage is greater than or equal to fifty (50%) percent, the Applicable Increment shall be one hundred and seventy five (175) basis points;

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(B) If the Leverage is less than fifty (50%) percent, but greater than forty (40%) percent, the Applicable Increment shall be one hundred and sixty (160) basis points; and

(C) If the Leverage is less than or equal to forty (40%) percent, the Applicable Increment shall be one hundred and fifty (150) basis points.

Leverage shall be determined as of the last Calculation Date as to which the Lender (i) has received a Certificate of Compliance and (ii) has provided Borrower with the Interest Rate Notice.

5.3. Banking Day. The term "Banking Day" means a day on which banks are not required or authorized by law to close in the city in which Lender's principal office is situated.

5.4. Business Day; Same Calendar Month. For purposes of this Note, the term "Business Day" means any Banking Day and, if the applicable Business Day relates to the selection or determination of any Eurodollar Rate, any London Banking Day. If any day on which a payment is due is not a Business Day, then the payment shall be due on the next day following which is a Business Day, unless, with respect to Eurodollar Advances, the effect would be to make the payment due in the next calendar month, in which event such payment shall be due on the next preceding day which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no "February 30th"), the payment shall be due on the last Business Day of the calendar month.

5.5. Dollars. The term "Dollars" or "\$" means lawful money of the United States.

5.6. Eurodollar Advance. The term "Eurodollar Advance" means any principal outstanding under this Note which pursuant to this Note bears interest at the Eurodollar Rate.

5.7. Eurodollar Rate. The term "Eurodollar Rate" means the per annum rate equal to the Adjusted LIBOR Rate plus an the Applicable Increment.



#### 5.8. Interest Period.

(A) The term "Interest Period" means with respect to each Eurodollar Advance: a period of one (1), two (2), three (3), four (4), or six (6) consecutive months, subject to availability, as selected, or deemed selected, by Borrower at least two (2) Business Days prior to an Advance, or if an Advance is already outstanding, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply. Each such Interest Period shall commence on the Business Day so selected, or

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deemed selected, by Borrower and shall end on the numerically corresponding day in the first, second, third, fourth, or sixth month thereafter, as applicable. Provided, however: (i) if there is no such numerically corresponding day, such Interest Period shall end on the last Business Day of the applicable month, (ii) if the last day of such an Interest Period would otherwise occur on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; but (iii) if such extension would otherwise cause such last day to occur in a new calendar month, then such last day shall occur on the next preceding Business Day.

(B) The term "Interest Period" shall mean with respect to each Variable Rate Advance consecutive periods of one (1) day each.

(C) No Interest Period may be selected which would end beyond the then Maturity Date of the Facility. If the last day of an Interest Period would otherwise occur on a day which is not a Business Day, such last day shall be extended to the next succeeding Business Day, except as provided above in clause (A) relative to a Eurodollar Advance.

5.9. Interest Rate Notice. The term "Interest Rate Notice" shall mean written notice delivered by the Lender to the Borrower after receipt of the Certificate of Compliance setting forth the Applicable Increment for Advances made thereafter and until delivery of the next Interest Rate Notice; provided, however, if the Lender does not provide the Borrower within five (5) Business Days of the receipt of any such Certificate of Compliance either the Interest Rate Notice or a written objection to the calculation of Leverage as provided therein, the Applicable Increment shall be determined based upon the calculations included in such Certificate of Compliance.

5.10. LIBOR Rate. The term "LIBOR Rate" means, with respect to each Interest Period, the rate of interest, expressed as an annual rate, equal to the simple average, rounded up to the nearest 1/16 of 1%, of the rates shown on the display referred to as the "Telerate Page 3750" (or any display substituted therefor) of the Dow Jones Telerate Service as being the respective rates at which deposits in Dollars would be offered by the principal London offices of each of the banks named thereon to major banks in the London interbank market at approximately 11:00 A.M. (London time) on the second London Banking Day before the first day of such Interest Period for a period substantially coextensive with such Interest Period.

5.11. London Banking Day. The term "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

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5.12. Maturity. The term "Maturity" shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

5.13. Maturity Date. The term "Maturity Date" shall mean January 15, 2000.

5.14. Present Value. The term "Present Value" means the value at the last day of the applicable Interest Period discounted to the date of prepayment using the Treasury Rate.

5.15. Prime Rate. The term "Prime Rate" means the per annum rate of interest so designated from time to time by Lender as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

5.16. Treasury Rate. The term "Treasury Rate, means, as of the date of any calculation or determination, the latest published rate for United States Treasury Notes or Bills (but the rate on Bills issued on a discounted basis

shall be converted to a bond equivalent) as published weekly in the Federal Reserve Statistical Release H.15(519) of Selected Interest Rates in an amount which approximates (as determined by Lender) the amount prepaid and with a maturity closest to the last day of the applicable Interest Period as to the Eurodollar Advance which is prepaid in whole or in part.

5.17. Variable Rate. The term "Variable Rate" means a per annum rate equal at all times to the Prime Rate less twenty five (25) basis points, with changes therein to be effective simultaneously with any change in the Prime Rate.

5.18. Variable Rate Advance. The term "Variable Rate Advance" means any principal amount outstanding under this Note which pursuant to this Note bears interest at the Variable Rate.

6. Additional Provisions Related to Interest Rate Selection.

6.1. Increased Costs. If, due to any one or more of: (i) the introduction of any applicable law or regulation or any change (other than any change by way of imposition or increase of reserve requirements already referred to in the definition of Eurodollar Rate) in the interpretation or application by any authority charged with the interpretation or application thereof of any law or regulation; or (ii) the compliance with any guideline or request from any governmental central bank or other governmental authority (whether or not having the force of law), there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Eurodollar Advances, including without limitation changes which affect or would affect the amount of capital or reserves required or expected to be maintained by

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Lender, with respect to all or any portion of the Facility, or any corporation controlling Lender, on account thereof, then Borrower from time to time shall, upon written demand by Lender, either (x) pay Lender additional amounts sufficient to indemnify Lender against the increased cost incurred, subject to the delivery of a certificate as to the amount of the increased cost and the reason therefor being submitted to Borrower by Lender, which in the absence of manifest error, shall be conclusive and binding for all purposes, or (y) convert the Eurodollar Advances to Variable Rate Advances (and pay to the Lender any applicable Yield Maintenance Fee, as provided herein).

6.2. Illegality. Notwithstanding any other provision of this Note, if the introduction of or change in or in the interpretation of any law, treaty, statute, regulation or interpretation thereof shall make it unlawful, or any central bank or government authority shall assert by directive, guideline or otherwise, that it is unlawful, for Lender to make or maintain Eurodollar Advances or to continue to fund or maintain Eurodollar Advances then, on written notice thereof and demand by Lender to Borrower, (a) the obligation of Lender to make Eurodollar Advances and to convert or continue any Advances as Eurodollar Advances shall terminate and (b) Borrower shall convert all principal outstanding under this Note into Variable Rate Advances.

6.3. Additional Eurodollar Conditions. The selection by Borrower of a Eurodollar Rate and the maintenance of Advances at such rate shall be subject to the following additional terms and conditions:

(i) Availability. If, before or after Borrower has selected to take or maintain a Eurodollar Advance, Lender notifies Borrower that:

(a) dollar deposits in the amount and for the maturity requested are not available to Lender in the London interbank market at the rate specified in the definition of LIBOR Rate set forth above, or

(b) reasonable means do not exist for Lender to determine the Eurodollar Rate for the amounts and maturity requested,

then the principal which would have been a Eurodollar Advance shall be a Variable Rate Advance.

(ii) Payments Net of Taxes. All payments and prepayments of principal and interest under this Note shall be made net of any taxes and costs the collection or payment of which is imposed on Borrower resulting from having principal outstanding at or computed with reference, to a Eurodollar Rate. Without limiting the generality of the preceding

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obligation, illustrations of such taxes and costs are taxes, or the withholding of amounts for taxes, of any nature whatsoever including income, excise, interest equalization taxes (other than United States or state income taxes) as well as all levies, imposts, duties or fees whether now in existence or as the result of a change in or promulgation of any treaty, statute, regulation, or interpretation thereof or any directive guideline or otherwise by a central bank or fiscal authority (whether or not having the force of law) or a change in the basis of, or the time of payment of, such taxes and other amounts resulting therefrom.

6.4. Variable Rate Advances. Each Variable Rate Advance shall continue as a Variable Rate Advance until Maturity, unless sooner converted, in whole or in part, to a Eurodollar Advance, subject to the limitations and conditions set forth in this Note.

6.5. Conversion of Other Advances. At the end of each applicable Interest Period, the applicable Eurodollar Advance shall be converted to a Variable Rate Advance unless Borrower selects another option in accordance with the provisions of this Note.

7. Acceleration; Event of Default.

At the option of the holder, this Note and the indebtedness evidenced hereby shall become immediately due and payable without further notice or demand, and notwithstanding any prior waiver of any breach or default, or other indulgence, upon the occurrence at any time of any one or more of the following events, each of which shall be an "Event of Default" hereunder and under the Revolving Credit Agreement and each other Loan Document: (i) an Event of Default as defined in the Revolving Credit Agreement as the same may from time to time hereafter be amended; or (ii) an event which pursuant to any express provision of the Revolving Credit Agreement, or of any other Loan Document, gives Lender the right to accelerate the Facility.

8. Certain Waivers, Consents and Agreements.

The Borrower and the Guarantor hereby agree and acknowledge that: (a) the Borrower (i) waives presentment, demand, protest, suretyship defenses and defenses in the nature thereof; (ii) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (iii) agrees to any substitution, exchange, release, surrender or other delivery of any security or collateral now or hereafter held hereunder or in connection with the Revolving Credit Agreement, or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (iv)

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agrees that if any security or collateral given to secure this Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Revolving Credit Agreement, or any of the other Loan Documents, shall be found to be unenforceable in full or to any extent, or if Lender or any other party shall fail to duly perfect or protect such collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (v) subject to the terms of the Revolving Credit Agreement, agrees to pay all costs and expenses incurred by Lender or any other holder of this Note in connection with the indebtedness evidenced hereby, including, without limitation, all attorneys' fees and costs, for the implementation of the Facility, the collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder or under the other Loan Documents, whether or not suit is instituted; and (vi) consents to all of the terms and conditions contained in this Note, and all other instruments now or hereafter executed evidencing or governing all or any portion of the security or collateral for this Note and for such Revolving Credit Agreement, or any one or more of the other Loan Documents, and (b) the Guarantor has waived certain rights as provided in a certain Guaranty Agreement dated as of the date hereof executed and delivered by the Guarantor to the Lender.

9. Delay Not A Bar.

No delay or omission on the part of the holder in exercising any right hereunder or any right under any instrument or agreement now or hereafter executed in connection herewith, or any agreement or instrument which is given or may be given to secure the indebtedness evidenced hereby or by the Revolving Credit Agreement, or any other agreement now or hereafter executed in connection herewith or therewith shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or of any other right on

any future occasion.

10. Partial Invalidity.

The invalidity or unenforceability of any provision hereof, of the Revolving Credit Agreement, of the other Loan Documents, or of any other instrument, agreement or document now or hereafter executed in connection with the establishment of the Facility made pursuant hereto and thereto shall not impair or vitiate any other provision of any of such instruments, agreements and documents, all of which provisions shall be enforceable to the fullest extent now or hereafter permitted by law.

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11. Compliance With Usury Laws.

All agreements between Borrower, the Guarantor and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof, provided, however, that in the event there is a change in the law which results in a lesser or higher maximum permissible rate of interest, then this Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Note to contract in strict compliance with the laws of the Commonwealth of Massachusetts from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity, and if under or from any circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower, the Guarantor and Lender.

12. Use of Proceeds.

All proceeds of the Facility shall be used solely for the purposes more particularly provided for and limited by the Revolving Credit Agreement.

13. Notices.

Any notices given with respect to this Note shall be given in the manner provided for in the Revolving Credit Agreement.

14. Governing Law and Consent to Jurisdiction.

14.1. Substantial Relationship. The parties agree that the Commonwealth of Massachusetts has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

14.2. Place of Delivery. Borrower agrees to furnish to Lender at Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

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14.3. Governing Law. This Note and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

14.4. Exceptions. Notwithstanding the foregoing choice of law provisions of Federal law and the law of the state in which a Portfolio Property lies shall apply in defining the terms Hazardous Materials, Hazardous Materials Legal Requirements, Environmental Legal Requirements and Legal Requirements applicable to the Portfolio Properties as such terms are used in the Revolving Credit Agreement, and the other Loan Documents.

14.5. Consent to Jurisdiction. Borrower hereby consents to personal

jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

15. Waiver of Jury Trial.

BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BETWEEN THE BORROWER AND THE LENDER BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS NOTE AND ESTABLISH THE FACILITY.

16. No Oral Change.

This Note and the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought. In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealing, or the like be effective to amend, terminate, extend or otherwise modify this Note or any of the other Loan Documents.

17. Rights of the Holder.

This Note and the rights and remedies provided for herein may be enforced by Lender or any subsequent holder hereof. Wherever the context permits each reference to the term "holder" herein shall mean and refer to Lender or the then subsequent holder of this Note.

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18. Right to Pledge.

Lender may at any time pledge all or any portion of its rights under the Loan Documents including any portion of this Note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release Lender from its obligations under any of the Loan Documents.

19. Setoff

Lender shall have the rights of set-off provided for in the Revolving Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date set forth above as a sealed instrument.

Witness: TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner,

- -----  
Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of December 18, 1997 (the "Guaranty"), is given by TANGER FACTORY OUTLET CENTERS, INC., a North Carolina corporation, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Guarantor"); and extended to FLEET NATIONAL BANK, national banking association, with its principal offices located at 75 State Street, Boston, Massachusetts 02109, (the "Lender") for the benefit of TANGER PROPERTIES LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of North Carolina, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Borrower").

RECITALS:

1. The Lender has agreed to establish, in accordance with the terms and provisions of, amongst other documents, a certain Revolving Credit Agreement of even date herewith (as amended, modified, renewed or extended from time to time, the "Revolving Credit Agreement") and a certain Promissory Note of even date (as amended, modified, renewed, or extended from time to time (the "Note"), a certain revolving credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used by the Borrower for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, and the repayment of any other indebtedness of the Borrower. All of the definitions used in the Note and the Revolving Credit Agreement are hereby incorporated herein by reference and shall have the meaning set forth in the Note and the Revolving Credit Agreement unless otherwise defined herein.

2. The Guarantor is the sole general partner of the Borrower.

3. Without this Guaranty the Lender would be unwilling to establish the Facility and make Advances thereunder to Borrower.

4. Because of the direct benefit to the Guarantor from the establishment of the Facility for the use of the Borrower, the Guarantor agrees to guarantee to the Lender the Obligations.

NOW THEREFORE, in consideration of the Lender entering into the Revolving Credit Agreement and establishing the Facility and making the Advances thereunder to the Borrower, and subject to the covenants and conditions of Section 20 below:

1. Guaranty of Payment. The Guarantor hereby unconditionally guarantees to the Lender the payment, when due, by acceleration or otherwise, of the Obligations. For the purposes hereof, the term "Obligations" shall have the meaning ascribed to it under the Revolving Credit Agreement and include, without limitation, Advances under the Facility, whether existing now or arising hereafter.

2. Guaranty of Performance. The Guarantor additionally unconditionally guarantees the Lender the timely performance of all other liabilities and obligations of the Borrower under the Revolving Credit Agreement and all of the Loan Documents.

In the event of the occurrence of an Event of Default as defined in the Revolving Credit Agreement relating to any of the foregoing conditions, and without the necessity of any notice from the Lender to the Guarantor, the Guarantor agrees to indemnify and hold the Lender harmless from any and all loss, cost, liability or expense the Lender may suffer by reason of any such event. The Lender shall accept performance by the Guarantor of the Obligations under the Revolving Credit Agreement and the Loan Documents, and so long as all of said Obligations are being performed by

the Borrower or the Guarantor and there is occurring no other Event of Default, the Lender will make the Facility proceeds available under the terms of the Revolving Credit Agreement, the Note, and the Loan Documents.

3. Subordination. Upon the occurrence and during the continuance of any Event of Default as defined in the Revolving Credit Agreement, no payments shall be made by Borrower or received by the Guarantor on any indebtedness, now or hereafter existing, of the Borrower to the Guarantor.

4. Waiver of Rights. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the Guarantor expressly waives and relinquishes to the fullest extent now or hereafter not prohibited by applicable law, with respect to the Obligations and the Loan Documents: (a) notice of acceptance of this Guaranty by the Lender and of all extensions of credit pursuant to the Revolving Credit Agreement, the Note, and the Loan Documents to the Borrower by the Lender; (b) presentment and demand for payment of any of the Obligations; (c) demand for payment under this Guaranty; (d) all suretyship defenses and defenses in the nature thereof, (e) any right or claim of right to cause a marshalling of the assets of the Borrower, or to cause Lender to proceed against any of the other security for the Obligations before proceeding under this Guaranty against the Guarantor, or if there shall be more than one guarantor, to require Lender to proceed against any other guarantor or any of such guarantors in any particular order, (f) notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, notice of dishonor, or any and all notice of nonpayment, nonperformance, nonobservance or default, or other proof or notice of demand whereby to charge Guarantor therefor; and (g) any right to assert against the Lender, as a defense, counterclaim, set-off, or cross-claim any defense (legal or equitable), set-off, counterclaim or claim which the Guarantor may now or hereafter have against the Lender or the Borrower. Such waiver shall not prevent the Guarantor from asserting against the Lender in a separate action, any claim, action cause of action, or demand that

the Guarantor might have arising out of this Guaranty or the Revolving Credit Agreement, the Note or any other Loan Documents, to the extent not arising out of a suretyship defense or any other claim otherwise waived pursuant to subparagraphs (a), (b), (c), (e), (f), or (g), above.

Guarantor and Lender (evidenced by the acceptance of this Guaranty) mutually hereby knowingly, voluntarily and intentionally waives the right to a trial by jury in respect of any litigation based on this Guaranty, arising out of, under or in connection with this Guaranty or any of the other Loan Documents or, in connection with this Guaranty, any course of conduct, course of dealings, statements, (whether verbal or written) or actions of any party. This waiver is given as a material inducement to Lender to accept this Guaranty and to establish the Facility.

5. Primary Liability of the Guarantor. The Guarantor agrees that this Guaranty may be enforced by the Lender. The Guarantor further agrees that nothing contained herein shall prevent the Lender, from suing on the Note or from exercising any other rights available to it under the Note, the Revolving Credit Agreement, or any other instrument evidencing the Obligations if neither the Borrower nor the Guarantor timely performs the Obligations, and the exercise of any of the aforesaid rights shall not constitute a discharge of any of the Guarantor's obligations hereunder, it being the purpose and intent of the Guarantor that the Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither the Guarantor's obligations under the Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of the Borrower or any co-guarantor or by reason of the Borrower's or any co-guarantor's bankruptcy or insolvency. The Guarantor acknowledges that the term "Obligations" as used herein includes any payments made by the Borrower to the Lender and subsequently recovered by the Borrower or a trustee for the Borrower pursuant to the Borrower's bankruptcy or insolvency. At any time the Lender is entitled to exercise its remedies hereunder, it may in its discretion elect

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to demand payment or performance. In the event the Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Obligations have been paid in full. In the event the Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Obligations have been paid in full.

6. No Impairment. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the liability of Guarantor hereunder shall in no way be limited or impaired by, and Guarantor hereby assents to and agrees to be bound by, any amendment or modification of the provisions of the Loan Documents to or with Lender by Borrower or any other Guarantor. In addition, the liability for the repayment of the Obligations to the Lender of Guarantor under this Guaranty and the other Loan Documents shall in no way be limited or impaired by:

- A. any extensions of time for performance required by any of the Loan Documents;
- B. any amendment to or modification of any of the Loan Documents;
- C. any sale or assignment of the Loan;
- D. the accuracy or inaccuracy of any of the representations or warranties made by or on behalf of Borrower, any general partner of Borrower, or Guarantor, under any Loan Document or otherwise;
- E. the release of Borrower, or any other person or entity, from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, Lender's voluntary act, or otherwise;
- F. the filing of any bankruptcy or reorganization proceeding by or against Borrower;
- G. the release of any other party now or hereafter liable upon or in respect of this Guaranty or any of the other Loan Documents; or
- H. the invalidity or unenforceability of all or any portion of any of the Loan Documents as to Borrower or any other person or entity.

Any of the foregoing may be accomplished with or without notice to Borrower, or any Guarantor and with or without consideration

7. Waiver of Subrogation Rights. The Guarantor agrees that (i) during the period prior to the payment in full of the Obligations the Guarantor shall have no rights of subrogation, reimbursement, contribution, exoneration or indemnity whatsoever against Borrower for the Guarantor's payment to the Lender of the Guarantor's obligation under this Guaranty (hereinafter referred to as the "Rights"), and (ii) the Guarantor waives and renounces but only during the period set forth in (i) above any Rights the Guarantor has or may have against the Borrower for the Guarantor's payment to the Lender of Guarantor's obligations under this Guaranty. This waiver is expressly intended to prevent the existence of any claim (as defined in the Bankruptcy Code) in respect of such Rights by the Guarantor and to prevent the Guarantor from being a creditor of Borrower due to such Rights unless the Lender has received payment in full of the Obligations.

8. Attorney's Fees and Costs of Collection. If at any time or times hereafter the Lender employs counsel to pursue collection, to intervene, to sue for enforcement of the terms hereof or of

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the Revolving Credit Agreement, the Note, or the Loan Documents, or to file a petition, complaint, answer, motion or other pleading in any suit or proceeding relating to this Guaranty or the Revolving Credit Agreement, the Note, or the Loan Documents, then in such event, all of the reasonable attorneys' fees relating thereto shall be an additional liability of the Guarantor to the Lender, payable on demand.

9. Term of Guaranty; Warranties. This Guaranty shall continue in full force and effect until the Obligations are fully paid. This Guaranty covers the Obligations whether presently outstanding or arising subsequent to the date hereof including all Advances under the Facility made pursuant to the Revolving Credit Agreement, the Note, or the Loan Documents. The Guarantor warrants and represents to the Lender, (i) that this Guaranty is binding upon and enforceable against the Guarantor, in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not violate or constitute a breach of any agreement to which the Guarantor is a party or of any applicable laws, (iii) that there is no litigation, claim, action or proceeding pending, or to the best knowledge of the Guarantor, threatened against the Guarantor which would materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to submit to the Lender financial statements in accordance with the terms and provisions of the Revolving Credit Agreement. Guarantor agrees to promptly inform the Lender of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. This Guaranty is binding on and enforceable against the Guarantor, its successors and assigns. The Guarantor represents and warrants that (i) it is a corporation duly organized, existing and in good standing under the laws of the State of North Carolina, with stock outstanding that has been duly and validly issued, (ii) it has the corporate power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Guaranty and the Loan Documents, and (iii) the execution and delivery of this Guaranty and the performance and observance of the provisions hereof have been duly authorized by all necessary corporate and, if required, stockholder action.

10. Further Representations and Warranties. The Guarantor further represents to the Lender that the Guarantor has knowledge of the Borrower's financial condition and affairs and represents and agrees that it will keep so informed while the Guaranty is in force. The Guarantor agrees that the Lender will have no obligation to investigate the financial condition or affairs of the Borrower for the benefit of the Guarantor nor to advise the Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Borrower which might come to the knowledge of the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantor or might (or does) materially increase the risk of the Guarantor as guarantor or might (or would) affect the willingness of the Guarantor to continue as guarantor with respect to the Obligations.

11. Additional Liability of the Guarantor. If the Guarantor is or becomes liable for any indebtedness owing by the Borrower to the Lender by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all the same force and effect it would have if this Guaranty had not existed and the Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.



12. Cumulative Rights. All rights of the Lender hereunder or otherwise arising under any documents executed in connection with the Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting or limiting any other right of the Lender and without affecting or impairing the liability of the Guarantor.

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13. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from the Guarantor of interest in excess of the maximum rate or amount that the Guarantor may be required or permitted to pay pursuant to any applicable law.

14. Multiple Counterparts; Pronouns; Captions; Severability. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

15. Lender Assigns. This Guaranty is intended for and shall inure to the benefit of the Lender and each and every person who shall from time to time be or become the owner or holder of any of the Obligations, and each and every reference herein to the "Lender" shall include and refer to each and every successor or assignee of the Lender at any time holding or owning any part of or interest in any part of the Obligations.

This Guaranty shall be transferable and negotiable with the same force and effect and to the same extent, that the Obligations are transferable and negotiable, it being understood and stipulated that upon assignment or transfer by the Lender of its rights and duties under the Revolving Credit Agreement or by the Lender of any of the Obligations, the successor under the Revolving Credit Agreement, or the legal holder or owner of said Obligations (or a part thereof or interest therein thus transferred or assigned by the Lender), as the case may be, shall (except as otherwise stipulated by the Lender in its assignment) have and may exercise all of the rights granted to the Lender under this Guaranty to the extent of that part of or interest in the Obligations thus assigned or transferred to said person. The Guarantor expressly waives notice of transfer or assignment of the Obligations, or any part thereof, or of the rights of the Lender hereunder. Failure to give notice will not affect the liability of the Guarantor hereunder.

16. Application of Payments. The Lender may apply any payments received by it from any source against that portion of the Obligations (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.

17. Notices. All notices required to be given hereunder shall be in writing and shall be deemed served at the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, or (iii) upon delivery when deposited with Federal Express, Airborne Express, or other similar courier providing next-day deliveries, in each case, addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required.

to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street [zip 27408]  
P.O. Box 29168  
Greensboro, NC 27429  
Attention: Mr. Stanley K. Tanger and  
Ms. Virginia Summerell

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to the Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02109  
Attn: Commercial Real Estate Loan Administration

Personal delivery or any officer, agent or employee of a party at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice of demand herein provided or to require giving of notice or demand to or upon the Guarantor in any situation or for any reason.

18. Governing Law. This Guaranty shall be deemed to be a contract made under and for all purposes shall be construed in accordance with, the internal laws and judicial decisions of the Commonwealth of Massachusetts. The Guarantor and the Lender agree that any dispute arising out of this Guaranty shall be subject to the jurisdiction of both the state and federal courts in the Commonwealth of Massachusetts. For that purpose, the Guarantor hereby submits to the jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. The Guarantor further agrees to accept service of process out of any of the before mentioned courts in such dispute by registered or certified mail addressed to the Guarantor.

19. Federal Tax Identification Number. The Guarantor hereby certifies to the Lender that the Guarantor's federal tax identification number is 56-1815473.

20. Lender Covenants. Notwithstanding any other provisions of this Guaranty by accepting this Guaranty Lender warrants, covenants and agrees as follows: (a) Lender will not institute an action against the Guarantor or exercise any of Lender's remedies under this Guaranty unless and until an Event of Default (as defined in the Revolving Credit Agreement) has occurred and is continuing; (b) the Facility may be prepaid in full without penalty (other than any payments due as a result of prepaying a Eurodollar Advance (as defined in the Note) prior to the termination of the then applicable Interest Period (as defined in the Note) at any time during which an Event of Default has occurred and is continuing; and (c) Lender will not enforce its rights against the Guarantor, unless in the same proceeding, the Lender shall also seek recovery (unless Lender is prohibited, temporarily or permanently, by bankruptcy, dissolutions, injunction, inability to achieve service of process or other similar legal impediment) from the Borrower of any outstanding balance due on the Obligations. Nothing herein shall limit Lender's rights against Guarantor to pursue only a deficiency judgment or otherwise obligate Lender to take actions other than as set forth above.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal as of the day and year first above written.

TANGER FACTOR OUTLET CENTERS,  
INC.

[CORPORATE SEAL]

By: \_\_\_\_\_  
Stanley K. Tanger  
Chairman of the Board  
Chief Executive Officer

ATTEST:

- \_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing Guaranty Agreement was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 199\_, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

-----  
Print Name:  
Notary Public, State of \_\_\_\_\_  
My Commission Number is: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

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REVOLVING CREDIT AGREEMENT

Dated: As of December 18, 1997

Between

TANGER PROPERTIES LIMITED PARTNERSHIP

("Borrower")

and

FLEET NATIONAL BANK

("Lender")

\$25,000,000.00

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#### REVOLVING CREDIT AGREEMENT

This is a Revolving Credit Agreement (this "Revolving Credit Agreement") made and entered into as of the 18th day of December, 1997, by and between TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") and FLEET NATIONAL BANK, a national banking association having an address at 75 State Street, Boston, Massachusetts, 02109 ("Lender").

#### WITNESSETH:

##### 1. BACKGROUND.

1.1 Defined Terms. Capitalized terms used in this Revolving Credit Agreement are defined either in Exhibit A, or in specific sections of this Revolving Credit Agreement, or in another Loan Document, as referenced in Exhibit A

1.2 Borrower. Borrower is a limited partnership organized under the laws of the State of North Carolina of which the sole general partner is Tanger Factory Outlet Centers, Inc., a corporation organized under the laws of the State of North Carolina.

1.3 Use of Proceeds. Borrower has applied to Lender to establish a revolving line of credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to closing the Facility.

1.4 Guaranties and Indemnities. As an inducement to Lender to establish the Facility, Tanger Factory Outlet Centers, Inc., having an address a 1400 West Northwood Street, Greensboro, North Carolina (the "Guarantor") has agreed to furnish a certain guaranty.

1.5 Facility. Subject to all of the terms, conditions and provisions of this Revolving Credit Agreement, and of the agreements and instruments referred to herein, Lender agrees to establish the Facility and Borrower agrees to accept and repay proceeds outstanding under the Facility.

## 2. ESTABLISHMENT OF FACILITY.

2.1 Facility. The Lender hereby establishes the Facility in the Borrower's favor pursuant to which the Lender agrees to lend to the Borrower until the Termination Date, and the Borrower agrees to borrow from the Lender, from time to time, loans and advances (the "Advances"), provided that the aggregate principal amount of the Facility at any one time outstanding hereunder shall not exceed the Maximum Commitment Amount.

2.2 Advances. The Borrower may request in writing Advances under the Facility.

2.2.1 Time of Advance. At the time of each Advance under the Facility, the Borrower shall immediately become indebted to the Lender for the amount thereof. Each Advance made by the Lender may, at the Lender's option, be (i) credited by the Lender to any deposit account of the Borrower; (ii) paid to the Borrower; or (iii) applied to any Obligation of the Borrower to the Lender (each of the foregoing of which may be by check, draft, or other written order or by bank wire or other transfer).

2.2.2 Certifications. Upon requesting an Advance under the Facility, the Borrower shall be deemed to have certified that as of the date of such request, the following representations are each true and correct:

(i) to the best of the Borrower's knowledge, there has been no material adverse change in the Borrower's or Guarantor's financial condition from the most recent financial information furnished the Lender pursuant to this Revolving Credit Agreement; and

(ii) to the best of the Borrower's knowledge, the Borrower and the Guarantor are in compliance with, and have not breached any of, the covenants contained in this Revolving Credit Agreement; and

(iii) no event has occurred nor failed to occur which occurrence or failure is, or with the passage of time or giving of notice (or both), would constitute, an Event of Default (as described herein), whether or not the Lender has exercised any of its rights upon such occurrence or failure.

2.3 Maximum Facility. The maximum availability under the Facility shall be \$25,000,000.00 (the "Maximum Commitment Amount").

2.4 Interest Rate and Payment Terms. The Facility shall be payable as to interest and principal in accordance with the provisions of a certain Promissory Note dated even date herewith

(the "Note"). The Note also provides for interest at a Default Rate (as defined in the Note), Late Charges (as defined in the Note) and prepayment rights and fees.

## 2.5 Fees.

2.5.1 Commitment Fee. Borrower shall pay a loan commitment fee in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00), representing one half of one percent (0.50%) of the Maximum Commitment Amount, of which Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid previously, (ii) Thirty One Thousand Two Hundred and Fifty Dollars (\$31,250.00) has been paid as of the date hereof, and (iii) the balance of which shall be payable on the earlier of (x) the date one (1) year from the date hereof or (y) the Termination Date; provided however, the Commitment Fee shall be entirely earned as of the date hereof.

2.5.2 Facility Fee. Borrower shall pay annually, as compensation for the Lender's maintenance of sufficient funds available for such purpose, in arrears, a facility fee in an amount equal to twelve and one half (12.5) basis points computed on the average undrawn portion of the Facility. The facility fee shall be calculated as of the 18th day of December of each year; provided however, as of the Termination Date, the facility fee shall be calculated in its entirety for that portion of the year expired as of the Termination Date. The facility fee shall be due and payable on or before twenty (20) days

after Borrower's receipt of a statement from the Lender as to the amount of such facility fee. The Lender agrees to provide the Borrower with a worksheet detailing each calculation of the average undrawn portion of the Facility.

3. LOAN DOCUMENTS. The obligations outstanding under the Facility together with interest thereon and all other charges and amounts payable by, and all other obligations of, Borrower to Lender, whenever incurred, direct or indirect, absolute or contingent, arising under the Facility or the Loan Documents ("Obligations") shall be made, evidenced, administered, and governed by all of the terms, conditions and provisions of the "Loan Documents", each as the same may be hereafter modified or amended, consisting of: (i) this Revolving Credit Agreement; (ii) the Note; (iii) the Guaranty from Guarantor; and (iv) any other documents, instruments, or agreements executed to further evidence or secure the Facility. Each of the Loan Documents listed in items (i) through (iv), inclusive is dated of even date herewith.

4. CONTINUING AUTHORITY OF AUTHORIZED REPRESENTATIVES. Lender is authorized to rely upon the continuing authority of the persons, officers, signatories or agents hereafter designated

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("Authorized Representatives") to bind Borrower with respect to all matters pertaining to establishment of the Facility and the Loan Documents including, but not limited to, requests for Advances and the selection of interest rates. Such authorization may be changed only upon written notice to Lender accompanied by evidence, reasonably satisfactory to Lender, of the authority of the person giving such notice and such notice shall be effective not sooner than five (5) Business Days following receipt thereof by Lender. The present Authorized Representatives are listed on Exhibit C. Lender shall have a right of approval, not to be unreasonably withheld or delayed, over the identity of the Authorized Representatives so as to assure Lender that each Authorized Representative is a responsible and senior official of Borrower.

5. CONDITIONS PRECEDENT. It shall be a condition precedent of Lender's obligation to establish the Facility and make each future Advance thereunder that each of the following conditions precedent be satisfied in full (as determined by Lender in its discretion, which discretion shall be exercised in good faith), unless specifically waived in writing by Lender at or prior to closing and at or prior to each Advance under the Facility:

5.1 Satisfactory Loan Documents. Each of the Loan Documents shall be satisfactory in form, content and manner of execution and delivery to Lender and its counsel.

5.2 No Material Change. No material adverse change shall have occurred in the financial condition, business, affairs, operations or control of Borrower or Guarantor, since the date of their respective financial statements most recently delivered to Lender: as of the date hereof, September 30, 1997 for Borrower; September 30, 1997 for Guarantor.

5.3 Warranties and Representations Accurate. All warranties and representations made by or on behalf of any of Borrower, or Guarantor, to Lender shall be true, accurate and complete in all material respects and shall not omit any material fact necessary to make the same not misleading.

5.4 Financials. Lender shall have received and approved financial statements from Borrower and Guarantor complying with the standards set forth in Section 7.2.

5.5 Hazardous Waste, Hazardous Materials and Toxic Substances. The Lender shall have received, and in its sole discretion approved, satisfactory reports from acceptable, qualified professionals prepared in accordance with Lender's protocols indicating the acceptability of the environmental risk for such of the Borrower's properties, as requested by the Lender.

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5.6 Organizational Documents and Entity Agreements. Lender shall have received and approved (i) the partnership agreement and organizational documents of the Borrower and (ii) the corporate organizational documents of the Guarantor.

5.7 Votes, Consents and Authorizations. Lender shall have received and approved certified copies of all partnership, entity and corporate votes, consents and authorizations as may be reasonably required to evidence authority for: (i) establishing the Facility and the transactions contemplated hereby; (ii) providing continuing authorization to designated persons to deal in all respects on behalf of Borrower; and (iii) the execution of all Loan Documents.

5.8 Legal and Other Opinions. Lender shall have received and approved legal opinion letters from counsel representing Borrower and Guarantor which meet Lender's legal opinion requirements previously furnished to Borrower and Guarantor.

5.9 Leasing Matters. To the extent requested, Lender shall have received and approved current rent rolls for the Borrower's properties.

5.10 No Event of Default. There shall not be any Event of Default under any of the Loan Documents.

6. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents to Lender for the express purpose of inducing Lender to enter into this Revolving Credit Agreement, to make Advances under the Facility, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Revolving Credit Agreement, upon the date the initial Advance is funded and at all times thereafter until the Facility has been repaid and all Obligations to Lender have been satisfied as follows:

6.1 Financial Information. True, accurate and complete financial statements of Borrower and Guarantor have been delivered to Lender and the same fairly present the financial condition of Borrower and Guarantor as of the dates thereof and no material and adverse change has occurred in such financial condition since the dates thereof. All financial statements of Borrower and Guarantor hereafter furnished to Lender shall be true, accurate and complete and shall fairly present the financial condition of Borrower and Guarantor as of the dates thereof.

6.2 No Violations. The establishment of the Facility and the subsequent payment and performance of the obligations evidenced by the Loan Documents shall not constitute a violation of, or conflict with, any law, order, regulation, contract, agreement or organizational document to which Borrower or

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Guarantor is a party or by which Borrower or Guarantor, or the property thereof, may be bound.

6.3 No Litigation. There is no material litigation now pending, or to the best of Borrower's knowledge threatened, against Borrower or Guarantor which if adversely decided could materially impair the ability of Borrower or Guarantor to pay and perform its obligations hereunder or under the other Loan Documents.

6.4 Compliance With Legal Requirements and Environmental Legal Requirements. The use, operation, ownership, and development of the Borrower's properties comply with, and shall continue to comply with, all material Legal Requirements and Environmental Legal Requirements, and any and all covenants, conditions, restrictions or other matters which materially affect the Borrower's properties.

6.5 Required Licenses and Permits. All Licenses and Permits which are reasonably required in order to use, operate, own and develop the Borrower's properties in the usual course of business have been duly and properly obtained, and will remain in full force and effect, and have been, and shall be complied with, in all material respects.

6.6 Use of Proceeds. The Advances under the Facility shall be used solely and exclusively to provide funds to support development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, the repayment of any other indebtedness of the Borrower, and to pay costs and expenses incident to establishment of the Facility. No portion of the proceeds of the Facility shall be used directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase or carry any margin stock, or to extend credit to others for the purpose thereof, or to repay or refund indebtedness previously incurred for such purpose, or (ii) for any purpose which would violate or is inconsistent with the provisions of regulations of the Board of Governors of the Federal Reserve System including, without limitation, Regulations G, T, U and X thereof.

6.7 Entity Matters.

6.7.1 Organization.

(i) Borrower. Borrower is a duly organized validly existing limited partnership in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business



and to own its property, as now conducted or owned, and as contemplated by this Revolving Credit Agreement.

(ii) Guarantor. Guarantor is a duly organized validly existing corporation in good standing under the laws of North Carolina, and is duly qualified in each jurisdiction where the nature of its business is such that qualification is required and has all requisite power and authority to conduct its business, as now conducted, and as contemplated by this Revolving Credit Agreement.

6.7.2 Ownership and Taxpayer Identification Numbers. All of the general partners of Borrower, and a description of the ownership interests of Borrower held by the same, are listed in Exhibit B. The identity and ownership of any Guarantor which is not natural person is accurately stated on Exhibit B. The taxpayer identification numbers of Borrower and the Guarantor are accurately stated in Exhibit B.

6.7.3 Authorization. All required partnership and corporate actions and proceedings have been duly taken so as to authorize the execution and delivery by Borrower and, where applicable, Guarantor of the Loan Documents.

6.8 Valid and Binding. Each of the Loan Documents constitute legal, valid and binding obligations of Borrower and, where applicable, Guarantor, in accordance with the respective terms thereof, subject to bankruptcy, insolvency and similar laws of general application affecting the rights and remedies of creditors and, with respect to the availability of the remedies of specific enforcement, subject to the discretion of the court before which any proceeding therefor may be brought.

6.9 Deferred Compensation and ERISA. Borrower does not have any pension, profit sharing, stock option, insurance or other arrangement or plan for employees covered by Title IV of the Employment Retirement Security Act of 1974, as now or hereafter amended ("ERISA") except as may be designated to Lender in writing by Borrower from time to time ("ERISA Plan") and no "Reportable Event" as defined in ERISA has occurred and is now continuing with respect to any such ERISA Plan. The establishing of the Facility, the performance by Borrower of its obligations under the Loan Documents and Borrower's conducting of its operations do not and will not violate any provisions of ERISA.

6.10 Conditions Satisfied. Assuming that Lender has approved all matters requiring their approval, all of the conditions precedent to establishing the Facility set forth in Section 5 have been satisfied.

6.11 No Material Change; No Event of Default. There has been no material adverse change in the financial condition, business, affairs or control of Borrower or Guarantor since the date of their respective last financial statements most recently delivered to the Lender in accordance with the requirements of Section 7.2 hereof. No Event of Default exists under any of the Loan Documents. There is no Event of Default on the part of Borrower or Guarantor under this Revolving Credit Agreement or any of the other Loan Documents and to the best of the Borrower's knowledge, no event has occurred and is continuing which could constitute an Event of Default under any Loan Document. Borrower has filed all required federal, state and local tax returns and has paid all taxes due pursuant to such returns or any assessments against Borrower or the Borrower's assets.

6.12 No Broker or Finder. Neither Borrower, nor Guarantor, nor anyone on behalf thereof, has dealt with any broker, finder or other person or entity who or which may be entitled to a broker's or finder's fee, or other compensation, payable by Lender in connection with establishing of the Facility.

6.13 Background Information and Certificates. All of the factual information contained or referred to in Section 1 of this Revolving Credit Agreement and in the Exhibits to this Revolving Credit Agreement or the other Loan Documents, and in the certificates and opinions furnished to Lender by or on behalf of Borrower in connection with the Facility, is true, accurate and complete in all material respects, and omits no material fact necessary to make the same not misleading.

6.14 Guarantor's Warranties and Representations. Borrower has no reason to believe that any warranties or representations made in writing by Guarantor to Lender are untrue, incomplete or misleading in any respect.

7. COVENANTS. Borrower covenants and agrees that from the date hereof and so long as any Obligations remain outstanding hereunder, or there exists any

availability to make Advances under the Facility, as follows:

7.1 Notices. Borrower shall, with reasonable promptness, but in all events within ten (10) days after it has actual knowledge thereof, notify Lender in writing of the occurrence of any act, event or condition (i) which constitutes an Event of Default under any of the Loan Documents or (ii) which would constitute, solely with the passage of time or the giving of notice, an Event of Default. Such notification shall include a written statement of any remedial or curative actions which Borrower proposes to undertake to cure or remedy such Event of Default.

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7.2 Financial Statements and Reports. Borrower shall furnish or cause to be furnished to Lender from time to time, the following financial statements and reports and other information, all in form, manner of presentation and substance acceptable to Lender:

7.2.1 Annual Statements. Within 120 days of the fiscal year end of the Borrower and the Guarantor, audited consolidating financial statements of Borrower and Guarantor prepared in accordance with GAAP, or other recognized method of accounting acceptable to Lender, consistently applied, by an independent, certified public accountant acceptable to Lender, such financial statements to include and to be supplemented by such detail and supporting data and schedules as Lender may from time to time reasonably determine, including, without limitation, consolidated financial statements consisting of a balance sheet as of the end of the fiscal year, income statements, and statements of cash flows for the fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year, as reported in the Form 10-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all being certified by the General Partner of the Borrower and the chief financial officer of the Guarantor;

7.2.2 Periodic Statements. Within 45 days following the end of each fiscal quarter the following,

(i) Certified Internally Prepared Financial Statements. For the Borrower and the Guarantor, internally prepared financial statements consisting of the consolidated and consolidating balance sheets, income statements, and statement of cash flows for the quarter just ended, and for the fiscal year through the quarter, as reported in the Form 10-Q of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission, all certified by the General Partner and the chief financial officer of the Guarantor, as having been prepared in accordance with GAAP consistently applied; and

(ii) Certificate of Compliance. Contemporaneously with the delivery of the reports referred to in clause (i) above, a certification by the general partner of Borrower and the chief financial officer of the Guarantor (the "Certificate of Compliance") (x) as to the status and compliance of the financial covenants set forth in Section 8 below and (y) to the Borrower's knowledge that there is not occurring an Event of Default, which certification shall be in the form attached hereto as Exhibit D.

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7.2.3 Data Requested. Within a reasonable period of time and from time to time, but no more frequently than quarterly unless an Event of Default has occurred and is continuing, such other financial data or information as Lender may reasonably request with respect to the Borrower or the Guarantor, including, without limitation, the Form 8-K of the Borrower and Guarantor, which are required to be filed with the Securities and Exchange Commission.

7.3 Payment of Taxes and Other Obligations. Borrower shall duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges payable by it, or with respect to any of the Borrower's properties.

7.4 Conduct of Business; Compliance With Law. Borrower shall own, develop, operate and use its properties and conduct its affairs in a lawful manner and in compliance with all Legal Requirements and Environmental Legal Requirements applicable thereto and all provisions of ERISA to the extent that a failure to do so would result in a material adverse effect in the conduct of the Borrower's business or the ability of the Borrower to perform its obligations

hereunder.

7.5 Insurance. Borrower shall at all times maintain in full force and effect the insurance coverages satisfactory to the Lender. All insurance premiums shall be paid annually, in advance, and Lender shall be provided with evidence of such prepayment of insurance premiums prior to closing and upon the request of Lender. The Lender acknowledges that the insurance as of the date hereof as reflected in the Certificate of Insurance provided by the Borrower is satisfactory to the Lender.

7.6 Indemnification Against Payment of Brokers' Fees. Borrower agrees to defend, indemnify and save harmless Lender from and against any and all liabilities, damages, penalties, costs, and expenses, relating in any manner to any brokerage or finder's fees in respect of establishing the Facility.

7.7 Limitations On Certain Transactions. Borrower and Guarantor agrees to the following limitations:

7.7.1 No Merger or Acquisition. Neither the Borrower nor the Guarantor shall dissolve or liquidate, nor, without notice to the Lender, merge or consolidate with any other entity.

7.7.2 Guarantor's Status as a REIT. The Guarantor is and shall continue to be in compliance with all requirements of law relative to its status as a Real Estate Investment Trust ("REIT") (including without limitation the Securities Act and the Securities Exchange Act, and the applicable rules and regulations thereunder, state securities laws and

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"Blue Sky") applicable to it and its respective businesses, in each case, where the failure to comply would have a material adverse effect on the Guarantor's status as a REIT. The Guarantor has made all filings with and obtained all consents of the Securities and Exchange Commission as required under the Securities Act and the Securities Exchange Act in connection with the execution, delivery and performance by the Guarantor of each of the Obligations incurred in connection with the Loan Documents.

7.7.3 Limitations on Investments. Except for its interest in the Borrower, Guarantor shall be prohibited from investing in any other partnerships, corporations, limited liability companies or other entities whatsoever.

7.7.4 Limitations on Conduct. Guarantor shall be prohibited from engaging in, or conducting, any business whatsoever other than the operations conducted in its capacity as general partner of the Borrower.

7.7.5 Limitations on Acquisitions. Guarantor shall be prohibited from purchasing or acquiring any assets whatsoever other than those assets purchased or acquired in its capacity as general partner of the Borrower.

7.7.6 Consent to Certain Actions. The Guarantor shall be allowed to undertake any of the actions prohibited in Sections 7.7.3, 7.7.4 or 7.7.5, with the prior written consent of the Lender. In the event that the Borrower requests any such consent in writing, if the Lender does not within fifteen (15) Business Days of the Lender's receipt of such written request, and all information reasonably required in order to evaluate such request, provide either the Lender's written consent or disapproval thereof, such consent shall be deemed to have been granted by the Lender.

7.8 Deposit of Proceeds; Other Bank Accounts.

7.8.1 Borrower shall establish a demand (checking) account with Lender. The following account(s) have been opened for the purpose of creating a depository account for the Property: Account No. \_\_\_\_\_ at Fleet National Bank in the name of Tanger Properties Limited Partnership(the "Account").

7.8.2 Lender is hereby authorized, on or after the due date, to charge the Account with the amount of all payments due under this Revolving Credit Agreement, the Note or the other Loan Documents. The failure of Lender to so charge such account shall not affect or limit Borrower's obligation to make any required payment.

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7.8.3 (i) If any payment is not made when due under any of the Loan Documents, after giving regard to applicable grace periods, if any, or (ii) if any Event of Default or other event which would entitle Lender to accelerate the indebtedness under the Note; then, in any such event, any deposits, balances or other sums credited by or due from Lender in the Account, may to the fullest extent not prohibited by applicable law at any time or from time to time, without regard to the existence, sufficiency or adequacy of any other collateral, and without notice or compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise, all of which are hereby waived, be set off, debited and appropriated, and applied by Lender against any or all of Borrower's Obligations irrespective of whether demand shall have been made and although such Obligations may be unmatured, in such manner as Lender in its sole and absolute discretion may determine. Within five (5) Business Days of making any such set off, debit or appropriation and application with respect to the Account, Lender agrees to notify Borrower thereof, provided the failure to give such notice shall not affect the validity of such set off, debit or appropriation and application.

7.9 Place for Records: Inspection. Borrower shall maintain business records at the address specified at the beginning of this Revolving Credit Agreement, as such address may be changed upon notice to the Lender. Upon notice and at reasonable times during normal business hours Lender shall have the right (through such agents or consultants as Lender may designate) to examine Borrower's assets, including, without limitation, the Borrower's properties, and make copies of and abstracts from Borrower's books of account, correspondence and other records and to discuss its financial and other affairs with any of its partners and any accountants hired by Borrower, it being agreed that Lender shall use reasonable efforts to not divulge information obtained from such examination to others except in connection with Legal Requirements and in connection with administering the Facility, enforcing its rights and remedies under the Loan Documents and in the conduct, operation and regulation of its banking and lending business (which may include, without limitation, the transfer of the Facility or of participation interests therein). Any transferee of the Facility or any holder of a participation interest in the Facility shall be entitled to deal with such information in the same manner and in connection with any subsequent transfer of its interest in the Facility or of further participation interests therein.

7.10 Costs and Expenses. Borrower shall pay all fees, costs and expenses reasonably incurred by Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any subsequent amendments thereto, and the enforcement of Lender's rights under the Loan Documents,

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including, without limitation, reasonable legal fees and disbursements.

7.11 Indemnification. Borrower shall at all times, both before and after repayment of the Obligations, at its sole cost and expense defend, indemnify, exonerate and save harmless Lender and all those claiming by, through or under Lender ("Indemnified Party") against and from all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind whatsoever, including, without limitation, reasonable attorneys' fees and experts, fees and disbursements, which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Party and arising from or out of:

- (i) any Hazardous Materials or any violation of any Environmental Legal Requirements applicable to the Borrower's properties, the Borrower, or both;

- (ii) any liability for damage to person or property arising out of any violation of any Legal Requirement applicable to the Borrower's properties, Borrower, or both; or

- (iii) any act, omission, negligence or conduct at the Borrower's properties, or arising or claimed to have arisen, out of any act, omission, negligence or conduct of Borrower or any contractor, sub contractor, tenant, occupant or invitee thereof, which is in any way related to the Borrower's properties.

Notwithstanding the foregoing, an Indemnified Party shall not be entitled to indemnification in respect of claims arising from acts of its own gross negligence or willful misconduct to the extent that such gross negligence or willful misconduct is determined by the final judgment of a court of competent jurisdiction, not subject to further appeal, in proceedings to which such Indemnified Party is a proper party.

7.12 Maintenance of Borrower's properties. Borrower shall protect and maintain, or cause to be maintained, in a manner consistent with Borrower's current maintenance standards at all times, the buildings and structures now standing or hereafter erected on the Borrower's properties, and any additions and improvements thereto, and all personal property now or hereafter situated therein, and the utility services, the parking areas and access roads, and all building fixtures and equipment and articles of personal property now or hereafter acquired and used in connection with the operation of the Borrower's properties.

7.13 Acquisitions and Dispositions of Borrower's assets. Borrower shall provide Lender with written notice of all

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dispositions or acquisitions of Projects within fifteen (15) days of said disposition or acquisition.

7.14 Replacement Documentation. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon surrender and cancellation of such Note or other security document, Borrower will issue, in lieu thereof, a replacement Note or other security document in the same principal amount thereof and otherwise of like tenor.

8. FINANCIAL COVENANTS. Each of the financial covenants set forth hereunder shall be calculated as of the Calculation Date, and shall be determined in a manner acceptable to Lender.

8.1 Fair Market Minimum Net Worth. Borrower shall maintain a Fair Market Minimum Net Worth equal to or in excess of \$175,000,000.00.

8.2 Total Liabilities to Total Adjusted Asset Value. Borrower shall not permit the ratio of Total Liabilities to Total Adjusted Asset Value to exceed sixty (60%) percent.

8.3 Secured Indebtedness to Total Adjusted Asset Value. Borrower shall not permit the ratio of Secured Indebtedness to Total Adjusted Asset Value to exceed forty (40%) percent.

8.4 EBITDA to Debt Service. Borrower shall maintain the ratio of (i) EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) Debt Service for the twelve (12) month period ending on such Calculation Date equal to or in excess of 2.0: 1.0.

8.5 Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value. Borrower shall not permit the ratio of Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value to exceed sixty (60%) percent.

8.6 Unencumbered EBITDA to Total Outstanding Unsecured Indebtedness. Borrower shall maintain the ratio of (i) Unencumbered EBITDA for the twelve (12) month period ending on the Calculation Date to (ii) that portion of interest expense attributable to Total Outstanding Unsecured Indebtedness for the twelve (12) month period ending on the Calculation Date, equal to or in excess of 2.25: 1.0.

8.7 Distributions. Annual dividends and distributions will not exceed Funds From Operations, and will be measured at each fiscal year end.

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8.8 Projects Under Development to Total Adjusted Asset Value. Borrower will not permit the ratio of the cost value of Projects Under Development to exceed twenty five (25%) percent of Total Adjusted Asset Value.

8.9 Undeveloped Land Holdings to Total Adjusted Asset Value. Borrower shall not permit the ratio of cost value of all undeveloped holdings (raw land) (exclusive of any properties determined to be Projects Under Development) determined in accordance with GAAP to exceed fifteen (15%) percent of Total Adjusted Asset Value.

8.10 Total Variable Rate Indebtedness to Total Adjusted Asset Value. Borrower will not permit the ratio of Total Variable Rate Indebtedness to exceed twenty (20%) percent of Total Adjusted Asset Value.

9. EVENTS OF DEFAULT. The following provisions deal with Events of Default, notice, grace and cure periods, and certain rights of Lender following an Event of Default.

9.1 Events of Default. Each of the following events, unless cured within any applicable grace period set forth or referred to below in this Section 9.2 shall constitute an "Event of Default":

9.1.1 Generally. A default by Borrower in the performance of any term, provision or condition of this Revolving Credit Agreement to be performed by Borrower, or a breach, or other failure to satisfy, any other term, provision, condition, covenant or warranty under this Revolving Credit Agreement and such default is not waived and remains uncured beyond any applicable specific grace period provided for in this Revolving Credit Agreement, or as set forth in Section 9.2 below;

9.1.2 Note and Other Loan Documents. A default by Borrower in the payment of any principal or interest due under the Note on the due date thereof or performance of any term or provision of the Note, or of any of the other Loan Documents, or a breach, or other failure to satisfy, any other term, provision, condition or warranty under the Note, or any other Loan Document, regardless of whether the then undisbursed portion of the Facility is sufficient to cover any payment of money required thereby, and the specific grace period, if any, allowed for the default in question shall have expired without such default having been cured or waived;

9.1.3 Other Indebtedness. The occurrence of an event constituting a default (after the expiration of any applicable grace period without the cure or waiver thereof) under the terms of any other Indebtedness of the Borrower to

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any one third party in the amount in excess of Five Million Dollars (\$5,000,000.00); provided however, if the Indebtedness is non-recourse to the Borrower, the occurrence of an event constituting a default after the expiration of any applicable grace period without the cure or waiver thereof under the terms of such Indebtedness of the Borrower to any one third party in the amount in excess of Ten Million Dollars (\$10,000,000.00).

9.1.4 Financial Status and Insolvency.

A. Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment for the benefit of creditors; (iv) consent to, or acquiesce in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (v) file a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law; (vi) have a court of competent jurisdiction enter an order, judgment or decree appointing a receiver, liquidator or trustee of Borrower, or of the whole or any substantial part of the property or assets of Borrower, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for sixty (60) days; (vii) have a petition filed against it seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Federal Bankruptcy laws or any other applicable law and such petition shall remain undismissed for sixty (60) days; (viii) have, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assume custody or control of Borrower or of the whole or any substantial part of its property or assets and such custody or control shall remain untermiated or unstayed for sixty (60) days; (ix) have an attachment or execution levied against any substantial portion of the real estate owned by Borrower; or (x) have any materially adverse change in its financial condition since the date of this Revolving Credit Agreement; or

B. any such event as set forth in Section 9.1.3 or Section 9.1.4. A. shall occur with respect to any Guarantor or any general partner of Borrower; or

9.1.5 Breach of Representation or Warranty. Any material representation or warranty made by Borrower or

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Guarantor herein or in any other instrument or document relating to the Facility shall at any time be materially false or misleading, or any warranty shall be materially breached and such is not waived by Lender;

9.1.6 Guarantor Default. A default by Guarantor in the performance of any term or provision of any Loan Document to which Guarantor is a party, or the breach, or any other failure to satisfy any other term, provision, condition or warranty imposed upon the Guarantor in any Loan Document to which Guarantor is a party or by which Guarantor is bound, after the expiration of any applicable grace period without the cure or waiver thereof, such cure period being determined in the same manner as for the Borrower.

9.2 Grace Periods and Notice. As to each of the foregoing events the following provisions relating to grace periods and notice shall apply:

9.2.1 No Notice or Grace Period. There shall be no grace period and no notice provision with respect to the payment of principal at maturity and no grace period and no notice provision with respect to defaults related to the voluntary filing of bankruptcy or reorganization proceedings or an assignment for the benefit of creditors, or with respect to nonmonetary defaults which are not reasonably capable of being cured, or with respect to a breach of a material warranty or representation under Section 6.

9.2.2 Nonpayment of Interest. As to any payment which is made by an overdraft to Borrower's account which overdraft is not repaid within three (3) Business Days or as to the nonpayment of interest, there shall be a ten (10) day grace period without any requirement of notice from Lender.

9.2.3 Other Monetary Defaults. All other monetary defaults shall have a five (5) Business Day grace period following notice from Lender, or, if shorter, a grace period without notice until five (5) Business Days before the last day on which payment is required to be made in order to avoid: (i) the cancellation or lapse of required insurance, or (ii) a tax sale or the imposition of late charges or penalties in respect of taxes or other municipal charges.

9.2.4 Nonmonetary Defaults Capable of Cure. As to nonmonetary defaults which are reasonably capable of being cured or remedied, unless there is a specific shorter or longer grace period provided for in this Revolving Credit Agreement or in another Loan Document, there shall be a thirty (30) day grace period following notice from Lender or, if such default would reasonably require more than thirty (30) days to cure or remedy, such longer period of time not to exceed a total of one hundred and twenty (120)

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days from Lender's notice as may be reasonably required so long as Borrower shall commence reasonable actions to remedy or cure the default within thirty (30) days following such notice and shall diligently prosecute such curative action to completion within such one hundred and twenty (120) day period. However, where there is an emergency situation in which there is danger to person or property such curative action shall be commenced as promptly as possible. As to breaches of warranties and representations (other than those related to financial information or construction documents) there shall be a thirty (30) day grace period following notice from Lender.

Lender: 9.3 Certain Lender Remedies. If an Event of Default shall occur,

9.3.1 Accelerate Debt. May declare the indebtedness evidenced by the Note and the Obligations immediately due and payable (provided that in the case of a voluntary petition in bankruptcy filed by Borrower or (after the expiration of the grace period if any set forth above) an involuntary petition in bankruptcy filed against Borrower, such acceleration shall be automatic). Upon such an acceleration all principal, accrued interest and costs and expenses shall be due and payable together with interest on such principal at the Default Rate and any applicable Yield Maintenance Prepayment Fee (as defined in the Note); and

9.3.2 Pursue Remedies. May pursue any and all remedies provided for hereunder, or under any one or more of the other Loan Documents.

9.3.3 Written Waivers. If an Event of Default is waived by Lender, in its sole discretion, pursuant to a specific written instrument executed by an authorized officer of Lender, the Event of Default so waived shall be deemed to have never occurred.

#### 10. ADDITIONAL REMEDIES OF LENDER.

10.1 Remedies. Upon the occurrence of an Event of Default, whether or not the indebtedness evidenced by the Note shall be due and payable or Lender shall have instituted any action for the enforcement of the Note, Lender may, in addition to any other remedies which Lender may have hereunder or under the other Loan Documents, and not in limitation thereof, and in Lender's sole and absolute discretion, proceed to protect and enforce its rights and remedies under this Revolving Credit Agreement, the Note or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Revolving Credit Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are

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evidenced, including as permitted by applicable law, the obtaining of the ex parte appointment of a receiver, and, if any amount owed to the Lender shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Lender. No remedy conferred upon the Lender or the holder of the Note in this Revolving Credit Agreement or in any of the other Loan Documents is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

10.2 Reimbursement. Lender shall have the right to collect and seek reimbursement for all sums paid or incurred pursuant to any of the Loan Documents, including Section 7.10, and all payments made or incurred by Lender hereunder shall be paid by Borrower to Lender upon demand with interest at the Default Rate from the date of payment by Lender to the date of payment to Lender.

10.3 Power of Attorney. For the purpose of exercising the rights granted by this Section 10.3, as well as any and all other rights and remedies of Lender, Borrower hereby irrevocably constitutes and appoints Lender (or any agent designated by Lender) its true and lawful attorney-in-fact, upon and following any Event of Default, to execute, acknowledge and deliver any instruments and to do and perform any acts permitted hereunder or by law in the name and on behalf of Borrower.

#### 11. GENERAL PROVISIONS.

11.1 Notices. Any notice or other communication (other than routine reporting as required under the Loan Documents) in connection with this Revolving Credit Agreement, the Note, or any of the other Loan Documents, shall be in writing, and (i) deposited in the United States Mail, postage prepaid, by registered or certified mail, or (ii) hand delivered by any commercially recognized courier service or overnight delivery service such as Federal Express, or (iii) sent by facsimile transmission, if a FAX Number is designated below, provided a copy is also sent by first-class mail addressed:

If to Borrower:

Tanger Properties Limited Partnership  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

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Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

If to Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02108  
FAX Number: (617) 346-3220  
Attention: Commercial Real Estate Loan



with copies by regular mail or such hand delivery or facsimile transmission to:

Riemer & Braunstein  
Three Center Plaza  
Boston, Massachusetts 02108  
FAX Number: (617) 723-6831  
Attention: Steven J. Weinstein, Esquire

If to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street  
Greensboro, North Carolina 27408  
FAX Number: (910) 274-6632 (after December 15,  
1997, Area Code 336)  
Attention: Virginia R. Summerell

with copies by regular mail or such hand delivery or facsimile transmission to:

Vernon, Vernon, Wooten, Brown,  
Andrews & Garrett  
522 S. Lexington Avenue  
Burlington, North Carolina 27216  
FAX Number: (919) 226-3866  
Attn: R. Joyce Garrett, Esquire

Any such addressee may change its address for such notices to such other address in the United States as such addressee shall have specified by written notice given as set forth above. All periods of notice shall be measured from the deemed date of delivery.

A notice shall be deemed to have been given, delivered and received for the purposes of all Loan Documents upon the earliest

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of: (i) if sent by such certified or registered mail, on the third Business Day following the date of postmark, or (ii) if hand delivered at the specified address by such courier or over night delivery service, when delivered or tendered for delivery during customary business hours on a Business Day, or (iii) if so mailed, on the date of actual receipt as evidenced by the return receipt, or (iv) if so delivered, upon actual receipt, or (v) if facsimile transmission is a permitted means of giving notice, upon receipt during customary business hours on a Business Day as evidenced by confirmation.

11.2 Limitations on Assignment. Borrower may not assign this Revolving Credit Agreement or the monies due thereunder without the prior written consent of Lender in each instance.

11.3 Further Assurances. Borrower shall upon request from Lender from time to time execute, seal, acknowledge and deliver such further instruments or documents which Lender may reasonably require to better perfect and confirm its rights and remedies hereunder, under the Note and under each of the other Loan Documents,

11.4 Parties Bound. The provisions of this Revolving Credit Agreement and of each of the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except as otherwise prohibited by this Revolving Credit Agreement or any of the other Loan Documents.

This Revolving Credit Agreement is a contract by and between Borrower and Lender for their mutual benefit, and no third person shall have any right, claim or interest against either Lender or Borrower by virtue of any provision hereof.

11.5 Waivers, Extensions and Releases. Lender may at any time and from time to time waive any one or more of the conditions contained herein or in any of the other Loan Documents, but any such waiver, extension or release shall be deemed to be made in pursuance and not in modification hereof, and any such waiver in any instance, or under any particular circumstance, shall not be considered a waiver of such condition in any other instance or any other circumstance.

11.6 Governing Law; Consent to Jurisdiction; Mutual Waiver of Jury Trial.

11.6.1 Substantial Relationship. It is understood and agreed

that all of the Loan Documents were negotiated, executed and delivered in the Commonwealth of Massachusetts the parties agree has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

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11.6.2 Place of Delivery. Borrower agrees to furnish to Lender at the Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

11.6.3 Governing Law. This Revolving Credit Agreement and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

11.6.4 Consent to Jurisdiction. Borrower hereby consents to personal jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

11.6.5 Jury Trial Waiver. BORROWER AND LENDER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS REVOLVING CREDIT AGREEMENT, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO THE TRANSACTIONS CONTEMPLATED HEREBY.

11.7 Survival. All representations, warranties, covenants and agreements of Borrower, or Guarantor, herein or in any other Loan Document, or in any notice, certificate, or other paper delivered by or on behalf of Borrower or Guarantor pursuant hereto are significant and shall be deemed to have been relied upon by Lender notwithstanding any investigation made by Lender or on its behalf and shall survive the delivery of the Loan Documents and the establishment of the Facility and each advance pursuant thereto. No review by Lender, or by its representatives, of any opinion letters, certificates from professionals or other item of any nature shall relieve Borrower or anyone else of any of the obligations, warranties or representations made by or on behalf of Borrower or Guarantor, or any one or more of them, under any one or more of the Loan Documents.

11.8 Cumulative Rights. All of the rights of Lender hereunder and under each of the other Loan Documents and any other agreement now or hereafter executed in connection herewith or therewith, shall be cumulative and may be exercised singly, together, or in such combination as Lender may determine in its sole good faith judgment.

11.9 Claims Against Lender.

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11.9.1 Borrower Must Notify. Lender shall not be in default under this Revolving Credit Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, with reasonable promptness thereafter. Such actual knowledge or actual notice shall refer to what was actually known by, or expressed in a written notification furnished to, any of the persons or officials referred to in Exhibit C as Authorized Representatives.

11.9.2 Remedies. If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Lender has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, Lender's responsibilities shall be limited to: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of a Loan Document, the obligation to grant such consent or give such approval and to pay Borrower's reasonable costs and expenses including, without limitation, reasonable attorneys, fees and disbursements in connection with such court proceedings; and (ii) the case of any such failure to grant such consent or give such approval, or in the case of any other such default by Lender, where it is also so determined that Lender acted in bad faith, or that Lender's default constituted gross

negligence or willful misconduct, the payment of any actual, direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

11.9.3 Limitations. In no event, however, shall Lender be liable to Borrower or to Guarantor or anyone else for other damages such as, but not limited to, indirect, speculative or punitive damages whatever the nature of the breach by Lender of its obligations under this Revolving Credit Agreement or under any of the other Loan Documents. In no event shall Lender be liable to Borrower or to Guarantor or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within the time period specified above.

11.10 Obligations Absolute. Except to the extent prohibited by applicable law which cannot be waived, the Obligations of Borrower and the obligations of the Guarantor under the Loan Documents shall be absolute, unconditional and irrevocable and shall be paid strictly in accordance with the

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terms of the Loan Documents under all circumstances whatsoever, including, without limitation, the existence of any claim, set off, defense or other right which Borrower or any Guarantor may have at any time against Lender whether in connection with the Facility or any unrelated transaction.

11.11 Table of Contents, Title and Headings. Any Table of Contents, the titles and the headings of sections are not parts of this Revolving Credit Agreement or any other Loan Document and shall not be deemed to affect the meaning or construction of any of their provisions.

11.12 Counterparts. This Revolving Credit Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. In making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of such loan agreement is sought.

11.13 Satisfaction of Commitment. The establishment of the Facility being made pursuant to the terms hereof and of the other Loan Documents is being made in satisfaction of Lender's obligations under the Commitment dated as of October 14, 1997. The terms, provisions and conditions of this Revolving Credit Agreement and the other Loan Documents supersede the provisions of the Commitment.

11.14 Right to Sell. Lender shall have the unrestricted right at any time or from time to time, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), subject to the Borrower's prior written approval as to the identity and number, such approval not to be unreasonably withheld, and Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Revolving Credit Agreement and to any other documents, instruments and agreements executed in connection herewith (provided such amendments do not increase Borrower's obligations or reduce or restrict Borrower's rights) as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the Note held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and

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written notice from the Lender to the Borrower of the effectiveness of such assignment, such Assignee shall be a party to this Revolving Credit Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligations hereunder and thereunder to a corresponding extent. Borrower shall be responsible for all fees and expenses incurred by Lender or any Assignee relating to an increase in the availability under the Facility and/or extension of the Maturity Date (as defined in the Note) of the Facility. Notwithstanding the rights and obligations granted to the Assignee, Lender shall act as sole agent for the Assignee's in connection with the Facility and Borrower shall continue to deal solely and

directly with Lender in connection with Lender's and Assignee's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

11.15 Right to Participate. Lender shall have the unrestricted right at any time and from time to time, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in Lender's obligation to lend hereunder and/or any or all of the loans held by Lender hereunder. In the event of any such grant by Lender of a participating interest to a Participant, whether or not upon notice to Borrower, Lender shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, unless Borrower gives prior written approval otherwise.

Lender may furnish any information concerning Borrower in its possession from time to time to prospective Assignees and Participants, provided that Lender shall require any such prospective Assignee or Participant to agree in writing to maintain the confidentiality of such information.

11.16 Time Of the Essence. Time is of the essence of each provision of this Revolving Credit Agreement and each other Loan Document.

11.17 No Oral Change. This Revolving Credit Agreement and each of the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought (except no such writing shall be required for any party which, pursuant to a specific provision of any Loan Document, is required to be bound by changes without such party's assent). In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealings or the like be effective to amend, terminate,

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extend or otherwise modify this Revolving Credit Agreement or any of the other Loan Documents.

11.18 Monthly Statements. While Lender may issue invoices or other statements on a monthly or periodic basis (a "Statement"), it is expressly acknowledged and agreed that: (i) the failure of Lender to issue any Statement on one or more occasions shall not affect Borrower's obligations to make payments under the Loan Documents as and when due; (ii) the inaccuracy of any Statement shall not be binding upon Lender and so Borrower shall always remain obligated to pay the full amount(s) required under the Loan Documents as and when due notwithstanding any provision to the contrary contained in any Statement; (iii) all Statements are issued for information purposes only and shall never constitute any type of offer, acceptance, modification, or waiver of the Loan Documents or any of Lender's rights or remedies thereunder; and (iv) in no event shall any Statement serve as the basis for, or a component of, any course of dealing, course of conduct, or trade practice which would modify, alter, or otherwise affect the express written terms of the Loan Documents.

11.19 Exculpation. The Loan Documents have been negotiated, executed and delivered on behalf of the Borrower by its Authorized Representatives or by the Guarantor, in its capacity as the Borrower's sole general partner, or officers thereof in their representative capacity and not individually, and bind only the Borrower and Guarantor and no employee, agent, officer, partner or shareholder ("Exculpated Party") of the Borrower or Guarantor shall be bound or held to any personal liability in connection with the Obligations of the Borrower or Guarantor thereunder, and any person or entity dealing with the Borrower in connection therewith shall look solely to the Borrower and the Guarantor for the payment of any claim or for the performance of any obligation thereunder.

IN WITNESS WHEREOF this Revolving Credit Agreement has been duly executed and delivered as a sealed instrument.

BORROWER:

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: /s/ Stanley K. Tanger

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Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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LENDER:

FLEET NATIONAL BANK

By: /s/ Aron D. Levine

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Name: Aron D. Levine

Title: Vice-President

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EXHIBITS:

Exhibit A	-	Definitions
Exhibit B	-	Ownership Interests and Taxpayer Identification Numbers
Exhibit C	-	Authorized Representatives
Exhibit D	-	Certificate of Compliance

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EXHIBIT A TO REVOLVING CREDIT AGREEMENT

DEFINITIONS

Account as defined in Section 7.8.

Adjusted Unencumbered Asset Value shall mean, as of the Calculation Date, the sum of (A) plus (B):

"(A)" shall mean the sum of:

(i) 100% of Borrower's unrestricted operating cash and equivalents; plus

(ii) cost value of Projects Under Development which are included in Unencumbered Assets; plus

(iii) cost value of New Developments which are included in Unencumbered Assets.

"(B)" shall mean

(i) (x) an amount equal to Unencumbered EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the Unencumbered EBITDA of any dispositions during the subject fiscal quarter of Unencumbered Assets owned by the Borrower and (2) to deduct Unencumbered EBITDA for any Projects Under Development and New Developments which are included in Unencumbered Assets, each of which adjustments must be approved by the Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned the gross leasable area of Unencumbered Assets (excluding Projects Under Development and New Developments which are included in Unencumbered Assets); divided by

(ii) 0.10.

Advance(s) as defined in Section 2.1.

Authorized Representatives as defined in Section 4 and listed on Exhibit C.

Borrower as defined in the Preamble.

Business Day shall mean: any day of the year on which offices of Fleet National Bank are not required or authorized by law to be closed for business in Boston, Massachusetts. If any day on which a payment is due is not a Business Day, then the payment

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shall be due on the next day following which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no

"February 30th"), the payment shall be due on the last Business Day of the calendar month.

Calculation Date shall mean the last day of each calendar quarter commencing with December 31, 1997.

Certificate of Compliance as defined in Section 7.2.2.

Debt Service shall mean, as of the Calculation Date, the sum of all principal and interest payments due on all loan obligations of the Borrower for such period, exclusive of balloon maturity payments.

Dollars shall mean lawful money of the United States.

EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization, all determined in accordance with GAAP consistently applied and excluding earnings attributable to any project in which the Borrower owns a minority interest and any extraordinary gains or losses.

Environmental Legal Requirements shall mean all applicable past (which have current effect), present or future (which have effect during the term of the Facility) federal, state, county and local laws, rules, regulations, codes and ordinances, or any judicial or administrative interpretations thereof, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, without limitation, all orders, decrees, judgments, rulings, requirements, directives or notices of violation, imposed through any public or private enforcement proceedings, that create one or more duties, obligations, responsibilities or liabilities on the Borrower with respect to the existence, use, storage, treatment, discharge, release, containment, transportation, generation manufacture, refinement, handling, production, disposal or management of any Hazardous Materials, or otherwise regulating or providing for the protection of the environment, and further including, without limitation the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. ss.9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. ss.1801 et seq.), the Public Health Service Act (42 U.S.C. ss.300(f) et seq.), the Pollution Prevention Act (42 U.S.C. ss.13101 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 5136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. ss.6901 et seq.), the Federal Clean Water Act (33 U.S.C. ss.1251 et seq.), the Federal Clean Air Act (42 U.S.C. ss.7401 et seq.).

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ERISA and ERISA Plan each as defined in Section 6.9.

Event of Default as defined in Section 9.

Facility is defined in Section 1.3.

Fair Market Minimum Net Worth shall mean, as of the Calculation Date, the Borrower's Total Adjusted Asset Value less Total Liabilities.

Funds From Operations shall be as currently defined by NAREIT.

GAAP shall mean generally accepted accounting principles.

Guaranty shall mean the unconditional, continuing guaranty from Guarantor guaranteeing payment of the Facility, and performance of all Borrower's Obligations under the Loan Documents.

Guarantor as defined in Section 1.4.

Hazardous Materials shall mean and include asbestos, flammable materials, explosives, radioactive substances, polychlorinated biphenyls, radioactive substances, other carcinogens, oil and other petroleum products, pollutants or contaminants that could be a detriment to the environment, and any other hazardous or toxic materials, wastes, or substances in quantities which are defined, determined or identified as such in any Environmental Legal Requirement.

Indebtedness shall mean all obligations, contingent and otherwise in respect of (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge, or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all liabilities under capitalized leases; and (d) all guarantees, endorsements and other contingent obligations whether direct or indirect in respect of indebtedness of others, including the obligations to reimburse the issuer in respect of any letters of credit.

Indemnified Party as defined in Section 7.11.

Legal Requirements shall mean all applicable federal, state, county and local laws, rules, regulations, codes and ordinances, and the requirements of any governmental agency or authority having or claiming jurisdiction with respect thereto, including, but not limited to, those applicable to zoning, subdivision, building, health, fire, safety, sanitation, the protection of the handicapped, and environmental matters and shall also include all orders and directives of any court, governmental agency or authority having or claiming jurisdiction as to the Borrower with respect thereto.

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Lender as defined in the Preamble.

Leverage shall mean, as of the Calculation Date, the ratio of Total Liabilities to Total Adjusted Asset Value.

Liabilities shall mean all Indebtedness and all other liabilities that in accordance with GAAP should be classified upon the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto.

Licenses and Permits shall mean all licenses, permits, authorizations and agreements issued by or agreed to by any governmental authority, and including, but not limited to, building permits, occupancy permits and such special permits, variances and other relief as may be required pursuant to Legal Requirements which may be applicable to the Portfolio Properties.

Limited Partnership Agreement shall mean that certain limited partnership agreement of the Borrower dated as of December 16, 1993.

Loan Documents as defined in Section 3.

Maturity shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

Maturity Date as defined in the Note.

Maximum Commitment Amount as defined in Section 2.3.

NAREIT means the National Association of Real Estate Investment Trusts.

New Development shall mean, as of the Calculation Date, (x) any Project which was a Project Under Development during the prior quarterly reporting period and as to which conditions (i), (ii) and (iii) as provided for in the definition of Projects Under Development have been satisfied, and (y) any project acquired during the subject fiscal quarter, such project(s) being a New Development only for the subject quarterly reporting period.

Obligations as defined in Section 3.

Projects Under Development shall mean, as of the Calculation Date, any project under development by the Borrower (i) classified as construction in progress on the Borrower's quarterly financial statements; or (ii) as to which a certificate of occupancy has not been issued; or (iii) as to which a minimum of 70% of total gross leasable area has not been leased and occupied by paying tenants.

Prime Rate as defined in the Note.

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Projects shall mean any and all properties of the Borrower having buildings with a gross leaseable area in excess of 50,000 sq. ft.

Revolving Credit Agreement as defined in the Preamble.

Secured Indebtedness shall mean any Indebtedness of the Borrower secured by any encumbrance or by any security interest, lien, privilege, or charge on any real or personal property.

Statement as defined in Section 11.18.

Termination Date shall mean the earlier of (x) the occurrence of an Event of Default, or (y) the payment in full of Advances outstanding under the Facility and the termination of the Borrower's right to request Advances under the Facility, or (z) the Maturity Date.

Total Adjusted Asset Value shall mean, as of the Calculation Date, (A) plus (B) in which:

"(A)" shall mean the sum of:

(i) unrestricted cash and cash equivalents (excluding any tenant deposits); plus

(ii) cost value of Projects Under Development; plus

(iii) cost value of New Developments.

"(B)" shall mean:

(i) (x) an amount equal to EBITDA for the most recently ended fiscal quarter (as adjusted by the Borrower (1) to take into account the EBITDA of any dispositions during the subject fiscal quarter of projects owned by the Borrower and (2) to deduct EBITDA for any Projects Under Development or New Developments, each of which adjustments must be approved by Lender in its reasonable discretion), multiplied by four (4), minus (y) a capital expenditure allowance of \$0.15 times owned gross leasable area (excluding Projects Under Development and New Developments); divided by

(ii) 0.10.

Total Liabilities shall mean, as of the Calculation Date, the sum, after eliminating intercompany items, of all Liabilities (including, without limitation, deferred taxes) other than those liabilities relating to projects in which the Borrower owns a

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minority interest, of the Borrower determined in accordance with GAAP.

Total Outstanding Unsecured Indebtedness shall mean, as of the Calculation Date, all unsecured Indebtedness of the Borrower outstanding as of the end of such fiscal quarter, other than trade indebtedness incurred in the ordinary course of business.

Total Variable Rate Indebtedness shall mean, as of the Calculation Date, all Indebtedness as to which interest accrues or is payable at a variable interest rate, exclusive of any such Indebtedness as to which the Borrower has obtained a fixed rate interest hedge.

Unencumbered Assets shall mean real property that is wholly-owned by the Borrower or by a partnership in which the Borrower is the sole general partner that is not subject to a mortgage lien or to any agreement with any other lender that prohibits the creation of a lien on such property.

Unencumbered EBITDA shall mean, as of the Calculation Date, Borrower's earnings before interest, taxes, depreciation, and amortization on all Unencumbered Assets, all determined in accordance with GAAP consistently applied and excluding any extraordinary gains or losses with respect to Unencumbered Assets.

Yield Maintenance Prepayment Fee as defined in the Note.

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#### EXHIBIT B TO REVOLVING CREDIT AGREEMENT

##### OWNERSHIP INTERESTS AND TAXPAYER IDENTIFICATION NUMBERS

Borrower: Tanger Properties Limited Partnership  
Tax ID 56-1822494

Owners:

General Partners: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Limited Partner: Tanger Family Limited Partnership

Guarantor: Tanger Factory Outlet Centers, Inc.  
Tax ID 56-1815473

Owners: New York Stock Exchange Traded Public Company

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## EXHIBIT C TO REVOLVING CREDIT AGREEMENT

## AUTHORIZED REPRESENTATIVES

As of the date hereof:

Stanley K. Tanger  
 Frank C. Marchisello, Jr.  
 Rochelle G. Simpson  
 Virginia R. Summerell

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## EXHIBIT D

## CERTIFICATE OF COMPLIANCE

Date: \_\_\_\_\_

To: Fleet National Bank  
 75 State Street  
 Boston, Massachusetts

Re: Certificate of Compliance  
 Calculation Date: \_\_\_\_\_

Pursuant to Section 7.2.2 of the Revolving Credit Agreement (the "Revolving Credit Agreement") dated as of December 18, 1997 by and between Tanger Properties Limited Partnership (the "Borrower") and Fleet National Bank (the "Bank"), the undersigned hereby certifies: (i) to the best of the undersigned's knowledge, the information provided on the accompanying Financial Statements are true and accurate in all material respects; (ii) the Borrower is in compliance with the Financial Covenants contained in the Revolving Credit Agreement to the extent set forth below; (iii) to the best of the undersigned's knowledge, an Event of Default has not occurred and is continuing under the Revolving Credit Agreement.

All capitalized terms not otherwise defined herein shall have the same meaning as defined in the Revolving Credit Agreement, as applicable.

I. COVENANT COMPLIANCE. All calculations to support the information set forth in the "Actual" column below are attached hereto and are based upon the accompanying Financial Statements.

COVENANT	REQUIREMENT	ACTUAL
-----		
Fair Market Minimum Net Worth	\$175,000,000.00	
Total Liabilities to Total Adjusted Asset Value	Not to exceed 60%	
Secured Indebtedness to Total Adjusted Asset Value.	Not to exceed 40%	
EBITDA to Debt Service	Equal to or in excess of 2.0:1.0	

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Total Outstanding Unsecured Indebtedness to Adjusted Unencumbered Asset Value	Not to exceed 60%	
Unencumbered EBITDA TO Total Outstanding Unsecured Indebtedness	Equal to or in excess of 2.25: 1.0	
Distributions	Will not exceed Funds From	

Operations

Projects Under Development to Total Adjusted Asset Value Not to exceed 25%

Undeveloped Land Holdings to Total Adjusted Asset Value Not to exceed 15%

Total Variable Rate Indebtedness to Total Adjusted Asset Value Not to exceed 20%

II. LEVERAGE CALCULATION

1. Total Liabilities.....
2. Total Adjusted Asset Value.....
3. Total Liabilities/Total Asset Value.....

The undersigned certifies that the information provided herein is true and accurate, to the best of its knowledge.

TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner

Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Financial Officer

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PROMISSORY NOTE

25,000,000.00

As of December 18, 1997

1. Promise To Pay.

FOR VALUE RECEIVED, TANGER PROPERTIES LIMITED PARTNERSHIP, a North Carolina limited partnership having an address at 1400 West Northwood Street, Greensboro, North Carolina 27408 ("Borrower") promises to pay to the order of FLEET NATIONAL BANK, a national banking association, having an address at 75 State Street, Boston, Massachusetts 02109 ("Lender"), the principal sum of TWENTY FIVE MILLION (\$25,000,000.00) DOLLARS, or so much thereof as may be advanced, with interest thereon, or on the amount thereof from time to time outstanding, to be computed, as hereinafter provided, on each advance from the date of its disbursement until such principal sum shall be fully paid. Interest shall be payable in installments as set forth in Section 4 below. The total principal sum, or the amount thereof outstanding, together with any accrued but unpaid interest, shall be due and payable in full on January 15, 2000 ("Maturity Date"), which term is further defined in, and is subject to acceleration in accordance with, the Revolving Credit Agreement pursuant to which this Note has been issued.

2. Revolving Credit Agreement.

This Note is issued pursuant to the terms, provisions and conditions of an agreement captioned "Revolving Credit Agreement" dated as of even date between Borrower and Lender and evidences the Facility and Advances made pursuant thereto. Capitalized terms used herein which are not otherwise specifically defined shall have the same meaning herein as in the Revolving Credit Agreement.

3. Interest Rates.

3.1. Borrower's Options. Principal amounts outstanding under the Facility shall bear interest at the following rates, at Borrower's selection, subject to the conditions and limitations provided for in this Note: (i) Variable Rate or (ii) Eurodollar Rate.

3.1.1 Selection To Be Made. Borrower shall select, and thereafter may change the selection of, the applicable interest rate, from the alternatives otherwise provided for in this Note, by giving Lender a Notice of Rate

Selection: (i) prior to each Advance, or (ii) prior to the end of each Interest Period applicable to a Eurodollar Advance, or (iii) on any Business Day on which Borrower desires to convert an outstanding Variable Rate Advance to a Eurodollar Advance.

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3.1.2 Notice. A "Notice of Rate Selection" shall be a written notice, given by cable, tested telex, telecopier (with authorized signature), or by telephone if immediately confirmed by such a written notice, from an Authorized Representative of Borrower which: (i) is irrevocable; (ii) is received by Lender not later than 12:00 o'clock Noon Eastern Time: (a) if a Eurodollar Rate is selected, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply, (b) if a Variable Rate is selected, on the first day of the Interest Period to which it applies; and (iii) as to each selected interest rate option, sets forth the aggregate principal amount(s) to which such interest rate option(s) shall apply and the Interest Period(s) applicable to each Eurodollar Advance.

3.1.3 If No Notice. If Borrower fails to select an interest rate option in accordance with the foregoing prior to an Advance, or prior to the last day of the applicable Interest Period of an outstanding Eurodollar Advance, or if a Eurodollar Advance is not available, any new Advance made shall be deemed to be a Variable Rate Advance, and on the last day of the applicable Interest Period all outstanding principal amounts shall be deemed converted to a Variable Rate Advance.

3.2. Telephonic Notice. Without any way limiting Borrower's obligation to confirm in writing any telephonic notice, Lender may act without liability upon the basis of telephonic notice believed by Lender in good faith to be from an Authorized Representative of the Borrower prior to receipt of written confirmation. In each case Borrower hereby waives the right to dispute Lender's record of the terms of such telephonic Notice of Rate Selection.

3.3. Limits On Options, Selections Per Month. Each Eurodollar Advance shall be in a minimum amount of \$1,000,000 . At no time shall there be outstanding a total of more than five (5) Eurodollar Advances combined at any time. If Borrower shall make more than three (3) Eurodollar Rate selections in any thirty (30) day period, excluding conversions of outstanding advances made at the end of an applicable Interest Period of any previously outstanding Eurodollar Advance, Lender may impose and Borrower shall pay a reasonable processing fee for each such additional selection.

#### 4. Payment of Interest and Principal.

4.1. Payment and Calculation of Interest. All interest shall be: (a) payable in arrears commencing January 15, 1998 and on the same day of each month thereafter until the principal together with all interest and other charges payable with respect to the Facility shall be fully paid; and (b) calculated on the basis of a 360 day year and the actual number of days elapsed. Each change in the Prime Rate shall simultaneously change the Variable Rate payable under this Note. Interest at the Eurodollar Rate shall be computed

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from and including the first day of the applicable Interest Period to, but excluding, the last day thereof.

4.2. Principal. The entire principal balance shall be due and payable in full upon Maturity.

4.3. Prepayment. The Facility or any portion thereof may be prepaid in full or in part at any time upon three (3) days, prior written notice to the holder of this Note without premium or penalty with respect to Variable Rate Advances and, with respect to Eurodollar Advances subject to a Yield-Maintenance Fee. Any partial prepayment of principal shall first be applied to any installment of principal then due and then be applied to the principal due in the reverse order of maturity, and no such partial prepayment shall relieve Borrower of the obligation to pay each subsequent installment of principal when due.

4.4. Maturity. At maturity all accrued interest, principal and other charges due with respect to the Facility shall be due and payable in full and the principal balance and such other charges, but not unpaid interest, shall continue to bear interest at the Default Rate until so paid.

4.5. Method of Payment; Date of Credit. All payments of interest, principal and fees shall be made in lawful money of the United States in immediately available funds: (a) by direct charge to an account of Borrower

maintained with Lender (or the then holder of this Note), or (b) by wire transfer to Lender or (c) to such other bank or address as the holder of this Note may designate in a written notice to Borrower. Payments shall be credited on the Business Day on which immediately available funds are received prior to one o'clock P.M. Eastern Time; payments received after one o'clock P.M. Eastern Time shall be credited to the Facility on the next Business Day. Payments which are by check, which Lender may at its option accept or reject, or which are not in the form of immediately available funds shall not be credited to the Facility until such funds become immediately available to Lender, and, with respect to payments by check, such credit shall be provisional until the item is finally paid by the payor bank.

4.6. Billings. Lender may submit monthly billings reflecting payments due; however, any changes in the interest rate which occur between the date of billing and the due date may be reflected in the billing for a subsequent month. Neither the failure of Lender to submit a billing nor any error in any such billing shall excuse Borrower from the obligation to make full payment of all Borrower's payment obligations when due, however, if Borrower makes timely payment as specified in any such billing, the Borrower shall not be in default under the terms of this Note or any of the other Loan Documents due to the failure to pay any additional amount owed as reflected in any corrected billing (the "Additional Payment Amount"), unless the Borrower fails to pay the Additional Payment

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Amount within the grace period provided for in the Revolving Credit Agreement from the date on which the Borrower obtains knowledge of such error.

4.7. Default Rate. Lender shall have the option of imposing, and Borrower shall pay upon billing therefor, an interest rate which is four percent (4%) per annum above the interest rate otherwise payable ("Default Rate"): (a) while any monetary Default exists and is continuing, during that period between the due date and the date of payment; (b) following any Event of Default, unless and until the Event of Default is waived by Lender; and (c) after Maturity. Borrower's right to select pricing options shall cease upon the occurrence of a monetary Default or following any Event of Default.

4.8. Late Charges. Borrower shall pay, upon billing there for, a "Late Charge" equal to three percent (3%) of the amount of any payment of principal, other than principal due at Maturity, interest, or both, which is not paid within ten (10) days of the due date thereof. Late charges are: (a) payable in addition to, and not in limitation of, the Default Rate, (b) intended to compensate Lender for administrative and processing costs incident to late payments, (c) are not interest, and (d) shall not be subject to refund or rebate or credited against any other amount due.

4.9. Calculation of Yield Maintenance.

(i) The Yield Maintenance Fee due in accordance with Section 4.3 shall be calculated separately for each Eurodollar Advance prepaid prior to the expiration of the applicable Interest Period in accordance with the following:

(A) if the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is greater than the applicable Eurodollar Rate, there shall be no Yield Maintenance Fee payable for such installment or balance.

(B) If the Treasury Rate (with a maturity corresponding to the last day of the applicable Interest Period) is less than the applicable Eurodollar Rate, the Yield Maintenance Fee shall equal the aggregate of all Present Values, computed separately for each such Eurodollar Advance having a separate Interest Period, of the product of:

1. the amount of each Eurodollar Advance prepaid, multiplied by
2. the amount by which the Eurodollar Rate, expressed as a percentage, exceeds the Treasury Rate, expressed as a percentage, computed separately for each

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Eurodollar Advance having a different Interest Period, and

3. which product in turn shall be multiplied by a fraction, computed separately for each Eurodollar Advance having a different Interest Period, the numerator of which is

the number of days from the date of prepayment to the last day of the applicable Interest Period and the denominator of which is 360.

(ii) The Yield Maintenance Fee shall be payable in respect of all prepayments of Eurodollar Advances whether voluntary or involuntary including, without limitation, prepayments made upon acceleration of the Facility.

(iii) once written notice of intention to prepay is given, the Facility, or the applicable portion thereof, shall become due and payable in full on the date specified in the notice of prepayment and the failure to so prepay on such date, together with any applicable Yield Maintenance Fees computed in accordance with Section 4.9(i), above, shall constitute an Event of Default.

## 5. Certain Definitions and Provisions Relating To Interest Rate.

5.1. Adjusted LIBOR Rate. The term "Adjusted LIBOR Rate" means for each Interest Period the rate per annum obtained by dividing (i) the LIBOR Rate for such Interest Period, by (ii) a percentage equal to one hundred percent (100%) minus the maximum reserve percentage applicable during such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirements (including, without limitation, any basic, supplemental, marginal and emergency reserve requirements) for Lender (or of any subsequent holder of this Note which is subject to such reserve requirements, provided such reserve percentage for such subsequent holder is not greater than the reserve percentage of Fleet National Bank) in respect of liabilities or assets consisting of or including Eurocurrency liabilities. (as such term is defined in Regulation D of the Board of Governors of the Federal Reserve System) having a term equal to the Interest Period.

5.2. Applicable Increment. The term "Applicable Increment" means the additional amount of basis points added to the Adjusted LIBOR Rate for purposes of determining the Eurodollar Rate for any applicable Interest Period. The "Applicable Increment" shall be determined for each Interest Period on the first day of such Interest Period as follows:

(A) If the Leverage is greater than or equal to fifty (50%) percent, the Applicable Increment shall be one hundred and seventy five (175) basis points;

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(B) If the Leverage is less than fifty (50%) percent, but greater than forty (40%) percent, the Applicable Increment shall be one hundred and sixty (160) basis points; and

(C) If the Leverage is less than or equal to forty (40%) percent, the Applicable Increment shall be one hundred and fifty (150) basis points.

Leverage shall be determined as of the last Calculation Date as to which the Lender (i) has received a Certificate of Compliance and (ii) has provided Borrower with the Interest Rate Notice.

5.3. Banking Day. The term "Banking Day" means a day on which banks are not required or authorized by law to close in the city in which Lender's principal office is situated.

5.4. Business Day; Same Calendar Month. For purposes of this Note, the term "Business Day" means any Banking Day and, if the applicable Business Day relates to the selection or determination of any Eurodollar Rate, any London Banking Day. If any day on which a payment is due is not a Business Day, then the payment shall be due on the next day following which is a Business Day, unless, with respect to Eurodollar Advances, the effect would be to make the payment due in the next calendar month, in which event such payment shall be due on the next preceding day which is a Business Day. Further, in the event a payment is due on a specified day of the month, if there is no corresponding day for a payment in the given calendar month (i.e., there is no "February 30th"), the payment shall be due on the last Business Day of the calendar month.

5.5. Dollars. The term "Dollars" or "\$" means lawful money of the United States.

5.6. Eurodollar Advance. The term "Eurodollar Advance" means any principal outstanding under this Note which pursuant to this Note bears interest at the Eurodollar Rate.

5.7. Eurodollar Rate. The term "Eurodollar Rate" means the per annum rate equal to the Adjusted LIBOR Rate plus an the Applicable Increment.

#### 5.8. Interest Period.

(A) The term "Interest Period" means with respect to each Eurodollar Advance: a period of one (1), two (2), three (3), four (4), or six (6) consecutive months, subject to availability, as selected, or deemed selected, by Borrower at least two (2) Business Days prior to an Advance, or if an Advance is already outstanding, at least two (2) Business Days prior to the first day of the Interest Period to which such selection is to apply. Each such Interest Period shall commence on the Business Day so selected, or

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deemed selected, by Borrower and shall end on the numerically corresponding day in the first, second, third, fourth, or sixth month thereafter, as applicable. Provided, however: (i) if there is no such numerically corresponding day, such Interest Period shall end on the last Business Day of the applicable month, (ii) if the last day of such an Interest Period would otherwise occur on a day which is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day; but (iii) if such extension would otherwise cause such last day to occur in a new calendar month, then such last day shall occur on the next preceding Business Day.

(B) The term "Interest Period" shall mean with respect to each Variable Rate Advance consecutive periods of one (1) day each.

(C) No Interest Period may be selected which would end beyond the then Maturity Date of the Facility. If the last day of an Interest Period would otherwise occur on a day which is not a Business Day, such last day shall be extended to the next succeeding Business Day, except as provided above in clause (A) relative to a Eurodollar Advance.

5.9. Interest Rate Notice. The term "Interest Rate Notice" shall mean written notice delivered by the Lender to the Borrower after receipt of the Certificate of Compliance setting forth the Applicable Increment for Advances made thereafter and until delivery of the next Interest Rate Notice; provided, however, if the Lender does not provide the Borrower within five (5) Business Days of the receipt of any such Certificate of Compliance either the Interest Rate Notice or a written objection to the calculation of Leverage as provided therein, the Applicable Increment shall be determined based upon the calculations included in such Certificate of Compliance.

5.10. LIBOR Rate. The term "LIBOR Rate" means, with respect to each Interest Period, the rate of interest, expressed as an annual rate, equal to the simple average, rounded up to the nearest 1/16 of 1%, of the rates shown on the display referred to as the "Telerate Page 3750" (or any display substituted therefor) of the Dow Jones Telerate Service as being the respective rates at which deposits in Dollars would be offered by the principal London offices of each of the banks named thereon to major banks in the London interbank market at approximately 11:00 A.M. (London time) on the second London Banking Day before the first day of such Interest Period for a period substantially coextensive with such Interest Period.

5.11. London Banking Day. The term "London Banking Day" means any day on which dealings in deposits in Dollars are transacted in the London interbank market.

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5.12. Maturity. The term "Maturity" shall mean the Maturity Date, or in any instance, the Termination Date, if the Facility has been accelerated by Lender upon an Event of Default.

5.13. Maturity Date. The term "Maturity Date" shall mean January 15, 2000.

5.14. Present Value. The term "Present Value" means the value at the last day of the applicable Interest Period discounted to the date of prepayment using the Treasury Rate.

5.15. Prime Rate. The term "Prime Rate" means the per annum rate of interest so designated from time to time by Lender as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer.

5.16. Treasury Rate. The term "Treasury Rate, means, as of the date of any calculation or determination, the latest published rate for United States Treasury Notes or Bills (but the rate on Bills issued on a discounted basis

shall be converted to a bond equivalent) as published weekly in the Federal Reserve Statistical Release H.15(519) of Selected Interest Rates in an amount which approximates (as determined by Lender) the amount prepaid and with a maturity closest to the last day of the applicable Interest Period as to the Eurodollar Advance which is prepaid in whole or in part.

5.17. Variable Rate. The term "Variable Rate" means a per annum rate equal at all times to the Prime Rate less twenty five (25) basis points, with changes therein to be effective simultaneously with any change in the Prime Rate.

5.18. Variable Rate Advance. The term "Variable Rate Advance" means any principal amount outstanding under this Note which pursuant to this Note bears interest at the Variable Rate.

6. Additional Provisions Related to Interest Rate Selection.

6.1. Increased Costs. If, due to any one or more of: (i) the introduction of any applicable law or regulation or any change (other than any change by way of imposition or increase of reserve requirements already referred to in the definition of Eurodollar Rate) in the interpretation or application by any authority charged with the interpretation or application thereof of any law or regulation; or (ii) the compliance with any guideline or request from any governmental central bank or other governmental authority (whether or not having the force of law), there shall be an increase in the cost to Lender of agreeing to make or making, funding or maintaining Eurodollar Advances, including without limitation changes which affect or would affect the amount of capital or reserves required or expected to be maintained by

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Lender, with respect to all or any portion of the Facility, or any corporation controlling Lender, on account thereof, then Borrower from time to time shall, upon written demand by Lender, either (x) pay Lender additional amounts sufficient to indemnify Lender against the increased cost incurred, subject to the delivery of a certificate as to the amount of the increased cost and the reason therefor being submitted to Borrower by Lender, which in the absence of manifest error, shall be conclusive and binding for all purposes, or (y) convert the Eurodollar Advances to Variable Rate Advances (and pay to the Lender any applicable Yield Maintenance Fee, as provided herein).

6.2. Illegality. Notwithstanding any other provision of this Note, if the introduction of or change in or in the interpretation of any law, treaty, statute, regulation or interpretation thereof shall make it unlawful, or any central bank or government authority shall assert by directive, guideline or otherwise, that it is unlawful, for Lender to make or maintain Eurodollar Advances or to continue to fund or maintain Eurodollar Advances then, on written notice thereof and demand by Lender to Borrower, (a) the obligation of Lender to make Eurodollar Advances and to convert or continue any Advances as Eurodollar Advances shall terminate and (b) Borrower shall convert all principal outstanding under this Note into Variable Rate Advances.

6.3. Additional Eurodollar Conditions. The selection by Borrower of a Eurodollar Rate and the maintenance of Advances at such rate shall be subject to the following additional terms and conditions:

(i) Availability. If, before or after Borrower has selected to take or maintain a Eurodollar Advance, Lender notifies Borrower that:

(a) dollar deposits in the amount and for the maturity requested are not available to Lender in the London interbank market at the rate specified in the definition of LIBOR Rate set forth above, or

(b) reasonable means do not exist for Lender to determine the Eurodollar Rate for the amounts and maturity requested,

then the principal which would have been a Eurodollar Advance shall be a Variable Rate Advance.

(ii) Payments Net of Taxes. All payments and prepayments of principal and interest under this Note shall be made net of any taxes and costs the collection or payment of which is imposed on Borrower resulting from having principal outstanding at or computed with reference, to a Eurodollar Rate. Without limiting the generality of the preceding

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obligation, illustrations of such taxes and costs are taxes, or the withholding of amounts for taxes, of any nature whatsoever including income, excise, interest equalization taxes (other than United States or state income taxes) as well as all levies, imposts, duties or fees whether now in existence or as the result of a change in or promulgation of any treaty, statute, regulation, or interpretation thereof or any directive guideline or otherwise by a central bank or fiscal authority (whether or not having the force of law) or a change in the basis of, or the time of payment of, such taxes and other amounts resulting therefrom.

6.4. Variable Rate Advances. Each Variable Rate Advance shall continue as a Variable Rate Advance until Maturity, unless sooner converted, in whole or in part, to a Eurodollar Advance, subject to the limitations and conditions set forth in this Note.

6.5. Conversion of Other Advances. At the end of each applicable Interest Period, the applicable Eurodollar Advance shall be converted to a Variable Rate Advance unless Borrower selects another option in accordance with the provisions of this Note.

7. Acceleration; Event of Default.

At the option of the holder, this Note and the indebtedness evidenced hereby shall become immediately due and payable without further notice or demand, and notwithstanding any prior waiver of any breach or default, or other indulgence, upon the occurrence at any time of any one or more of the following events, each of which shall be an "Event of Default" hereunder and under the Revolving Credit Agreement and each other Loan Document: (i) an Event of Default as defined in the Revolving Credit Agreement as the same may from time to time hereafter be amended; or (ii) an event which pursuant to any express provision of the Revolving Credit Agreement, or of any other Loan Document, gives Lender the right to accelerate the Facility.

8. Certain Waivers, Consents and Agreements.

The Borrower and the Guarantor hereby agree and acknowledge that: (a) the Borrower (i) waives presentment, demand, protest, suretyship defenses and defenses in the nature thereof; (ii) waives any defenses based upon and specifically assents to any and all extensions and postponements of the time for payment, changes in terms and conditions and all other indulgences and forbearances which may be granted by the holder to any party now or hereafter liable hereunder or for the indebtedness evidenced hereby; (iii) agrees to any substitution, exchange, release, surrender or other delivery of any security or collateral now or hereafter held hereunder or in connection with the Revolving Credit Agreement, or any of the other Loan Documents, and to the addition or release of any other party or person primarily or secondarily liable; (iv)

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agrees that if any security or collateral given to secure this Note or the indebtedness evidenced hereby or to secure any of the obligations set forth or referred to in the Revolving Credit Agreement, or any of the other Loan Documents, shall be found to be unenforceable in full or to any extent, or if Lender or any other party shall fail to duly perfect or protect such collateral, the same shall not relieve or release any party liable hereon or thereon nor vitiate any other security or collateral given for any obligations evidenced hereby or thereby; (v) subject to the terms of the Revolving Credit Agreement, agrees to pay all costs and expenses incurred by Lender or any other holder of this Note in connection with the indebtedness evidenced hereby, including, without limitation, all attorneys' fees and costs, for the implementation of the Facility, the collection of the indebtedness evidenced hereby and the enforcement of rights and remedies hereunder or under the other Loan Documents, whether or not suit is instituted; and (vi) consents to all of the terms and conditions contained in this Note, and all other instruments now or hereafter executed evidencing or governing all or any portion of the security or collateral for this Note and for such Revolving Credit Agreement, or any one or more of the other Loan Documents, and (b) the Guarantor has waived certain rights as provided in a certain Guaranty Agreement dated as of the date hereof executed and delivered by the Guarantor to the Lender.

9. Delay Not A Bar.

No delay or omission on the part of the holder in exercising any right hereunder or any right under any instrument or agreement now or hereafter executed in connection herewith, or any agreement or instrument which is given or may be given to secure the indebtedness evidenced hereby or by the Revolving Credit Agreement, or any other agreement now or hereafter executed in connection herewith or therewith shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed to be a bar to or waiver of the same or of any other right on



any future occasion.

10. Partial Invalidity.

The invalidity or unenforceability of any provision hereof, of the Revolving Credit Agreement, of the other Loan Documents, or of any other instrument, agreement or document now or hereafter executed in connection with the establishment of the Facility made pursuant hereto and thereto shall not impair or vitiate any other provision of any of such instruments, agreements and documents, all of which provisions shall be enforceable to the fullest extent now or hereafter permitted by law.

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11. Compliance With Usury Laws.

All agreements between Borrower, the Guarantor and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof, provided, however, that in the event there is a change in the law which results in a lesser or higher maximum permissible rate of interest, then this Note shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of this Note to contract in strict compliance with the laws of the Commonwealth of Massachusetts from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity, and if under or from any circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower, the Guarantor and Lender.

12. Use of Proceeds.

All proceeds of the Facility shall be used solely for the purposes more particularly provided for and limited by the Revolving Credit Agreement.

13. Notices.

Any notices given with respect to this Note shall be given in the manner provided for in the Revolving Credit Agreement.

14. Governing Law and Consent to Jurisdiction.

14.1. Substantial Relationship. The parties agree that the Commonwealth of Massachusetts has a substantial relationship to the parties and to the underlying transactions embodied by the Loan Documents.

14.2. Place of Delivery. Borrower agrees to furnish to Lender at Lender's office in Boston, Massachusetts all further instruments, certifications and documents to be furnished hereunder.

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14.3. Governing Law. This Note and each of the other Loan Documents shall in all respects be governed, construed, applied and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law.

14.4. Exceptions. Notwithstanding the foregoing choice of law provisions of Federal law and the law of the state in which a Portfolio Property lies shall apply in defining the terms Hazardous Materials, Hazardous Materials Legal Requirements, Environmental Legal Requirements and Legal Requirements applicable to the Portfolio Properties as such terms are used in the Revolving Credit Agreement, and the other Loan Documents.

14.5. Consent to Jurisdiction. Borrower hereby consents to personal

jurisdiction in any state or Federal court located within the Commonwealth of Massachusetts.

15. Waiver of Jury Trial.

BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BETWEEN THE BORROWER AND THE LENDER BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS NOTE AND ESTABLISH THE FACILITY.

16. No Oral Change.

This Note and the other Loan Documents may only be amended, terminated, extended or otherwise modified by a writing signed by the party against which enforcement is sought. In no event shall any oral agreements, promises, actions, inactions, knowledge, course of conduct, course of dealing, or the like be effective to amend, terminate, extend or otherwise modify this Note or any of the other Loan Documents.

17. Rights of the Holder.

This Note and the rights and remedies provided for herein may be enforced by Lender or any subsequent holder hereof. Wherever the context permits each reference to the term "holder" herein shall mean and refer to Lender or the then subsequent holder of this Note.

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18. Right to Pledge.

Lender may at any time pledge all or any portion of its rights under the Loan Documents including any portion of this Note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or enforcement thereof shall release Lender from its obligations under any of the Loan Documents.

19. Setoff

Lender shall have the rights of set-off provided for in the Revolving Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the date set forth above as a sealed instrument.

Witness: TANGER PROPERTIES LIMITED  
PARTNERSHIP  
By its General Partner,

- -----  
Tanger Factory Outlet Centers,  
Inc.

By: \_\_\_\_\_  
Name: Stanley K. Tanger  
Title: Chairman of the Board  
and Chief Executive Officer

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of December 18, 1997 (the "Guaranty"), is given by TANGER FACTORY OUTLET CENTERS, INC., a North Carolina corporation, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Guarantor"); and extended to FLEET NATIONAL BANK, national banking association, with its principal offices located at 75 State Street, Boston, Massachusetts 02109, (the "Lender") for the benefit of TANGER PROPERTIES LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of North Carolina, with its principal offices located at 1400 West Northwood Street, Greensboro, North Carolina 27408 (the "Borrower").

RECITALS:

1. The Lender has agreed to establish, in accordance with the terms and provisions of, amongst other documents, a certain Revolving Credit Agreement of even date herewith (as amended, modified, renewed or extended from time to time, the "Revolving Credit Agreement") and a certain Promissory Note of even date (as amended, modified, renewed, or extended from time to time (the "Note"), a certain revolving credit facility (the "Facility") in the maximum amount of \$25,000,000.00, the proceeds of which are to be used by the Borrower for the development or acquisition of additional properties by the Borrower, the expansion and improvement of any properties of the Borrower, supporting working capital needs, and the repayment of any other indebtedness of the Borrower. All of the definitions used in the Note and the Revolving Credit Agreement are hereby incorporated herein by reference and shall have the meaning set forth in the Note and the Revolving Credit Agreement unless otherwise defined herein.

2. The Guarantor is the sole general partner of the Borrower.

3. Without this Guaranty the Lender would be unwilling to establish the Facility and make Advances thereunder to Borrower.

4. Because of the direct benefit to the Guarantor from the establishment of the Facility for the use of the Borrower, the Guarantor agrees to guarantee to the Lender the Obligations.

NOW THEREFORE, in consideration of the Lender entering into the Revolving Credit Agreement and establishing the Facility and making the Advances thereunder to the Borrower, and subject to the covenants and conditions of Section 20 below:

1. Guaranty of Payment. The Guarantor hereby unconditionally guarantees to the Lender the payment, when due, by acceleration or otherwise, of the Obligations. For the purposes hereof, the term "Obligations" shall have the meaning ascribed to it under the Revolving Credit Agreement and include, without limitation, Advances under the Facility, whether existing now or arising hereafter.

2. Guaranty of Performance. The Guarantor additionally unconditionally guarantees the Lender the timely performance of all other liabilities and obligations of the Borrower under the Revolving Credit Agreement and all of the Loan Documents.

In the event of the occurrence of an Event of Default as defined in the Revolving Credit Agreement relating to any of the foregoing conditions, and without the necessity of any notice from the Lender to the Guarantor, the Guarantor agrees to indemnify and hold the Lender harmless from any and all loss, cost, liability or expense the Lender may suffer by reason of any such event. The Lender shall accept performance by the Guarantor of the Obligations under the Revolving Credit Agreement and the Loan Documents, and so long as all of said Obligations are being performed by

the Borrower or the Guarantor and there is occurring no other Event of Default, the Lender will make the Facility proceeds available under the terms of the Revolving Credit Agreement, the Note, and the Loan Documents.

3. Subordination. Upon the occurrence and during the continuance of any Event of Default as defined in the Revolving Credit Agreement, no payments shall be made by Borrower or received by the Guarantor on any indebtedness, now or hereafter existing, of the Borrower to the Guarantor.

4. Waiver of Rights. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the Guarantor expressly waives and relinquishes to the fullest extent now or hereafter not prohibited by applicable law, with respect to the Obligations and the Loan Documents: (a) notice of acceptance of this Guaranty by the Lender and of all extensions of credit pursuant to the Revolving Credit Agreement, the Note, and the Loan Documents to the Borrower by the Lender; (b) presentment and demand for payment of any of the Obligations; (c) demand for payment under this Guaranty; (d) all suretyship defenses and defenses in the nature thereof, (e) any right or claim of right to cause a marshalling of the assets of the Borrower, or to cause Lender to proceed against any of the other security for the Obligations before proceeding under this Guaranty against the Guarantor, or if there shall be more than one guarantor, to require Lender to proceed against any other guarantor or any of such guarantors in any particular order, (f) notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, notice of dishonor, or any and all notice of nonpayment, nonperformance, nonobservance or default, or other proof or notice of demand whereby to charge Guarantor therefor; and (g) any right to assert against the Lender, as a defense, counterclaim, set-off, or cross-claim any defense (legal or equitable), set-off, counterclaim or claim which the Guarantor may now or hereafter have against the Lender or the Borrower. Such waiver shall not prevent the Guarantor from asserting against the Lender in a separate action, any claim, action cause of action, or demand that

the Guarantor might have arising out of this Guaranty or the Revolving Credit Agreement, the Note or any other Loan Documents, to the extent not arising out of a suretyship defense or any other claim otherwise waived pursuant to subparagraphs (a), (b), (c), (e), (f), or (g), above.

Guarantor and Lender (evidenced by the acceptance of this Guaranty) mutually hereby knowingly, voluntarily and intentionally waives the right to a trial by jury in respect of any litigation based on this Guaranty, arising out of, under or in connection with this Guaranty or any of the other Loan Documents or, in connection with this Guaranty, any course of conduct, course of dealings, statements, (whether verbal or written) or actions of any party. This waiver is given as a material inducement to Lender to accept this Guaranty and to establish the Facility.

5. Primary Liability of the Guarantor. The Guarantor agrees that this Guaranty may be enforced by the Lender. The Guarantor further agrees that nothing contained herein shall prevent the Lender, from suing on the Note or from exercising any other rights available to it under the Note, the Revolving Credit Agreement, or any other instrument evidencing the Obligations if neither the Borrower nor the Guarantor timely performs the Obligations, and the exercise of any of the aforesaid rights shall not constitute a discharge of any of the Guarantor's obligations hereunder, it being the purpose and intent of the Guarantor that the Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither the Guarantor's obligations under the Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of the Borrower or any co-guarantor or by reason of the Borrower's or any co-guarantor's bankruptcy or insolvency. The Guarantor acknowledges that the term "Obligations" as used herein includes any payments made by the Borrower to the Lender and subsequently recovered by the Borrower or a trustee for the Borrower pursuant to the Borrower's bankruptcy or insolvency. At any time the Lender is entitled to exercise its remedies hereunder, it may in its discretion elect

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to demand payment or performance. In the event the Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Obligations have been paid in full. In the event the Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Obligations have been paid in full.

6. No Impairment. Subject to all other provisions of this Guaranty, including, but not limited to, Section 20, the liability of Guarantor hereunder shall in no way be limited or impaired by, and Guarantor hereby assents to and agrees to be bound by, any amendment or modification of the provisions of the Loan Documents to or with Lender by Borrower or any other Guarantor. In addition, the liability for the repayment of the Obligations to the Lender of Guarantor under this Guaranty and the other Loan Documents shall in no way be limited or impaired by:

- A. any extensions of time for performance required by any of the Loan Documents;
- B. any amendment to or modification of any of the Loan Documents;
- C. any sale or assignment of the Loan;
- D. the accuracy or inaccuracy of any of the representations or warranties made by or on behalf of Borrower, any general partner of Borrower, or Guarantor, under any Loan Document or otherwise;
- E. the release of Borrower, or any other person or entity, from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, Lender's voluntary act, or otherwise;
- F. the filing of any bankruptcy or reorganization proceeding by or against Borrower;
- G. the release of any other party now or hereafter liable upon or in respect of this Guaranty or any of the other Loan Documents; or
- H. the invalidity or unenforceability of all or any portion of any of the Loan Documents as to Borrower or any other person or entity.

Any of the foregoing may be accomplished with or without notice to Borrower, or any Guarantor and with or without consideration

7. Waiver of Subrogation Rights. The Guarantor agrees that (i) during the period prior to the payment in full of the Obligations the Guarantor shall have no rights of subrogation, reimbursement, contribution, exoneration or indemnity whatsoever against Borrower for the Guarantor's payment to the Lender of the Guarantor's obligation under this Guaranty (hereinafter referred to as the "Rights"), and (ii) the Guarantor waives and renounces but only during the period set forth in (i) above any Rights the Guarantor has or may have against the Borrower for the Guarantor's payment to the Lender of Guarantor's obligations under this Guaranty. This waiver is expressly intended to prevent the existence of any claim (as defined in the Bankruptcy Code) in respect of such Rights by the Guarantor and to prevent the Guarantor from being a creditor of Borrower due to such Rights unless the Lender has received payment in full of the Obligations.

8. Attorney's Fees and Costs of Collection. If at any time or times hereafter the Lender employs counsel to pursue collection, to intervene, to sue for enforcement of the terms hereof or of

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the Revolving Credit Agreement, the Note, or the Loan Documents, or to file a petition, complaint, answer, motion or other pleading in any suit or proceeding relating to this Guaranty or the Revolving Credit Agreement, the Note, or the Loan Documents, then in such event, all of the reasonable attorneys' fees relating thereto shall be an additional liability of the Guarantor to the Lender, payable on demand.

9. Term of Guaranty; Warranties. This Guaranty shall continue in full force and effect until the Obligations are fully paid. This Guaranty covers the Obligations whether presently outstanding or arising subsequent to the date hereof including all Advances under the Facility made pursuant to the Revolving Credit Agreement, the Note, or the Loan Documents. The Guarantor warrants and represents to the Lender, (i) that this Guaranty is binding upon and enforceable against the Guarantor, in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not violate or constitute a breach of any agreement to which the Guarantor is a party or of any applicable laws, (iii) that there is no litigation, claim, action or proceeding pending, or to the best knowledge of the Guarantor, threatened against the Guarantor which would materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to submit to the Lender financial statements in accordance with the terms and provisions of the Revolving Credit Agreement. Guarantor agrees to promptly inform the Lender of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could materially adversely affect the financial condition of the Guarantor or its ability to fulfill its obligations hereunder. This Guaranty is binding on and enforceable against the Guarantor, its successors and assigns. The Guarantor represents and warrants that (i) it is a corporation duly organized, existing and in good standing under the laws of the State of North Carolina, with stock outstanding that has been duly and validly issued, (ii) it has the corporate power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Guaranty and the Loan Documents, and (iii) the execution and delivery of this Guaranty and the performance and observance of the provisions hereof have been duly authorized by all necessary corporate and, if required, stockholder action.

10. Further Representations and Warranties. The Guarantor further represents to the Lender that the Guarantor has knowledge of the Borrower's financial condition and affairs and represents and agrees that it will keep so informed while the Guaranty is in force. The Guarantor agrees that the Lender will have no obligation to investigate the financial condition or affairs of the Borrower for the benefit of the Guarantor nor to advise the Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Borrower which might come to the knowledge of the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantor or might (or does) materially increase the risk of the Guarantor as guarantor or might (or would) affect the willingness of the Guarantor to continue as guarantor with respect to the Obligations.

11. Additional Liability of the Guarantor. If the Guarantor is or becomes liable for any indebtedness owing by the Borrower to the Lender by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all the same force and effect it would have if this Guaranty had not existed and the Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.

12. Cumulative Rights. All rights of the Lender hereunder or otherwise arising under any documents executed in connection with the Obligations are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued, without affecting or limiting any other right of the Lender and without affecting or impairing the liability of the Guarantor.

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13. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from the Guarantor of interest in excess of the maximum rate or amount that the Guarantor may be required or permitted to pay pursuant to any applicable law.

14. Multiple Counterparts; Pronouns; Captions; Severability. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

15. Lender Assigns. This Guaranty is intended for and shall inure to the benefit of the Lender and each and every person who shall from time to time be or become the owner or holder of any of the Obligations, and each and every reference herein to the "Lender" shall include and refer to each and every successor or assignee of the Lender at any time holding or owning any part of or interest in any part of the Obligations.

This Guaranty shall be transferable and negotiable with the same force and effect and to the same extent, that the Obligations are transferable and negotiable, it being understood and stipulated that upon assignment or transfer by the Lender of its rights and duties under the Revolving Credit Agreement or by the Lender of any of the Obligations, the successor under the Revolving Credit Agreement, or the legal holder or owner of said Obligations (or a part thereof or interest therein thus transferred or assigned by the Lender), as the case may be, shall (except as otherwise stipulated by the Lender in its assignment) have and may exercise all of the rights granted to the Lender under this Guaranty to the extent of that part of or interest in the Obligations thus assigned or transferred to said person. The Guarantor expressly waives notice of transfer or assignment of the Obligations, or any part thereof, or of the rights of the Lender hereunder. Failure to give notice will not affect the liability of the Guarantor hereunder.

16. Application of Payments. The Lender may apply any payments received by it from any source against that portion of the Obligations (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.

17. Notices. All notices required to be given hereunder shall be in writing and shall be deemed served at the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, or (iii) upon delivery when deposited with Federal Express, Airborne Express, or other similar courier providing next-day deliveries, in each case, addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required.

to the Guarantor:

Tanger Factory Outlet Centers, Inc.  
1400 West Northwood Street [zip 27408]  
P.O. Box 29168  
Greensboro, NC 27429  
Attention: Mr. Stanley K. Tanger and  
Ms. Virginia Summerell

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to the Lender:

Fleet National Bank  
75 State Street  
Boston, Massachusetts 02109  
Attn: Commercial Real Estate Loan Administration

Personal delivery or any officer, agent or employee of a party at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice of demand herein provided or to require giving of notice or demand to or upon the Guarantor in any situation or for any reason.

18. Governing Law. This Guaranty shall be deemed to be a contract made under and for all purposes shall be construed in accordance with, the internal laws and judicial decisions of the Commonwealth of Massachusetts. The Guarantor and the Lender agree that any dispute arising out of this Guaranty shall be subject to the jurisdiction of both the state and federal courts in the Commonwealth of Massachusetts. For that purpose, the Guarantor hereby submits to the jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. The Guarantor further agrees to accept service of process out of any of the before mentioned courts in such dispute by registered or certified mail addressed to the Guarantor.

19. Federal Tax Identification Number. The Guarantor hereby certifies to the Lender that the Guarantor's federal tax identification number is 56-1815473.

20. Lender Covenants. Notwithstanding any other provisions of this Guaranty by accepting this Guaranty Lender warrants, covenants and agrees as follows: (a) Lender will not institute an action against the Guarantor or exercise any of Lender's remedies under this Guaranty unless and until an Event of Default (as defined in the Revolving Credit Agreement) has occurred and is continuing; (b) the Facility may be prepaid in full without penalty (other than any payments due as a result of prepaying a Eurodollar Advance (as defined in the Note) prior to the termination of the then applicable Interest Period (as defined in the Note) at any time during which an Event of Default has occurred and is continuing; and (c) Lender will not enforce its rights against the Guarantor, unless in the same proceeding, the Lender shall also seek recovery (unless Lender is prohibited, temporarily or permanently, by bankruptcy, dissolutions, injunction, inability to achieve service of process or other similar legal impediment) from the Borrower of any outstanding balance due on the Obligations. Nothing herein shall limit Lender's rights against Guarantor to pursue only a deficiency judgment or otherwise obligate Lender to take actions other than as set forth above.

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IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal as of the day and year first above written.

TANGER FACTOR OUTLET CENTERS,  
INC.

[CORPORATE SEAL]

By: \_\_\_\_\_  
Stanley K. Tanger  
Chairman of the Board  
Chief Executive Officer

ATTEST:

- \_\_\_\_\_  
Secretary

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing Guaranty Agreement was sworn to and subscribed before me this \_\_\_\_ day of \_\_\_\_\_, 199\_, by Stanley K. Tanger, who is personally known to me, as Chairman of the Board and Chief Executive Officer of Tanger Factory Outlet Centers, Inc., general partner of Tanger Properties Limited Partnership.

-----  
Print Name:  
Notary Public, State of \_\_\_\_\_  
My Commission Number is: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

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CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Tanger Factory Outlet Centers, Inc. and Subsidiary on Form S-8 (File No. 33-80450) and Form S-3 (File Nos. 33-99736, 333-3526 and 333-39365) of our reports dated January 19, 1998 on our audits of the consolidated financial statements and financial statement schedule of Tanger Factory Outlet Centers, Inc. and Subsidiary as of December 31, 1997 and 1996, and for the years ended December 31, 1997, 1996 and 1995, which reports are included in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.

Greensboro, North Carolina  
February 28, 1998



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