SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

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 1-12002

MARK CENTERS TRUST
(Exact name of registrant in its charter)

MARYLAND	23-2715194
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

600 THIRD AVENUE, KINGSTON, PENNSYLVANIA	18704
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code
(717) 288-4581

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

As of August 12, 1996, there were 8,548,817 common shares of beneficial interest, par value $.001 per share, outstanding.

MARK CENTERS TRUST
FORM 10-Q

INDEX

Part I. Financial Information
Item 1. Financial Statements

MARK CENTERS TRUST
CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 1996	December 31, 1995 (audited)
ASSETS		
Rental property - at cost:		
Land	$ 30,176	$ 25,270
Buildings and improvements	258,371	258,827
Construction-in-progress	10,914	7,060
	299,461	291,157
Less accumulated depreciation	66,859	61,269
Total rental property	232,602	229,888
Cash and cash equivalents	732	3,068
Rents receivable - less allowance for doubtful accounts of $570 and $509, respectively	5,024	5,200
Prepaid expenses	822	1,352
Due from related parties	289	384
Furniture, fixtures and equipment, net	670	796
Deferred charges	7,455	4,905
Tenant security and other deposits	1,757	3,922
	$249,351	$249,515
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	$108,597	$107,975
Lines of credit	46,175	43,853
Accounts payable and accrued expenses	14,507	7,058
Accrued contingent payable to Principal Shareholder	--	6,156
Note payable to Principal Shareholder	3,174	--
Rents received in advance and tenant security deposits	994	1,466
Total Liabilities	173,447	166,508
Minority interest	12,090	13,228
Shareholders' equity:		
Common shares, $.001 par value, authorized 50,000,000 shares, issued and outstanding 8,548,817 shares	9	9
Additional paid-in capital	63,805	69,770
Retained earnings	--	--
Total Shareholders' Equity	63,814	69,779
	$249,351	$249,515

See accompanying notes to consolidated financial statements

MARK CENTERS TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS
ENDED JUNE 30, 1996 AND 1995
(in thousands except for per share data)

	Three months ended		Six months ended	
	6/30/96	6/30/95	6/30/96	6/30/95
Revenue:				
Minimum rents	$ 8,259	$8,197	$16,725	$16,045
Percentage rents	614	808	1,216	1,577
Additional rents-expense reimbursements	1,607	1,384	3,551	2,924
Other	239	242	462	501
Total revenue	10,719	10,631	21,954	21,047
Expenses:				
Property operating	2,274	2,075	5,091	4,280
Real estate taxes	1,368	1,176	2,666	2,295
Depreciation and amortization	3,269	2,932	6,471	5,785
General and administrative expenses	714	728	1,472	1,412
Total operating expenses	7,625	6,911	15,700	13,772
Operating income	3,094	3,720	6,254	7,275
Gain on sale of land	--	94	--	94
Interest and financing expenses	3,076	2,600	6,050	4,954
Income before minority interest	18	1,214	204	2,415
Minority interest	(22)	(227)	(74)	(443)
Net (loss) income	$ (4)	$ 987	$ 130	$ 1,972
Net (loss)income per common share	$ .00	$ .12	$ .02	$ .23
Cash dividend per common share	$ .36	$ .36	$ .72	$ .72

See accompanying notes to consolidated financial statements

MARK CENTERS TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30,1996 AND 1995
(in thousands)

	June 30, 1996	June 30, 1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 130	$ 1,972
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of leasing costs	6,002	5,310
Amortization of deferred financing costs	469	475
Minority interest	74	443
Provision for bad debts	574	321
Gain on sale of land	--	(94)
Other	56	94
	7,305	8,521
Changes in assets and liabilities:		
Rents receivable	(398)	592
Prepaid expenses	530	260
Due from related parties	95	483
Tenant security and other deposits	151	(1,191)
Accounts payable and accrued expenses	1,197	(266)
Rents received in advance and tenant security deposits	(472)	(462)
Net cash provided by operating activities	8,408	7,937

CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for real estate and improvements	(11,305)	(7,054)
Increase (decrease)in accounts payable related to construction in progress	6,252	(2,992)
Payment to Principal Shareholder for acquisition of land	--	(1,500)
Net proceeds from sale of land	--	104
Deferred leasing and other charges	(2,951)	(1,073)
Expenditures for furniture, fixtures and equipment	--	(80)
Net cash used in investing activities	(8,004)	(12,595)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgages	(2,433)	(47,532)
Proceeds received on mortgage notes	5,377	60,500
Reduction in debt service escrow	2,014	--
Payment of deferred financing costs	(335)	(538)
Dividends paid	(6,151)	(6,146)
Distributions to Principal Shareholder	(1,212)	(1,229)
Net cash (used in) provided by financing activities	(2,740)	5,055
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,336)	397
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,068	3,021
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 732	$ 3,418
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest, net of $449 and $618, respectively	$ 5,867	$ 4,866

The following is a summary of the resolution of certain transactions with the Principal Shareholder (Note 4):

Reduction in contingent liability due to Principal Shareholder	$(6,156)
Establishment of note payable to Principal Shareholder	3,174
Net reduction in cost of acquired property	$(2,982)

See accompanying notes to consolidated financial statements

MARK CENTERS TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION

The consolidated financial statements include the consolidated accounts of Mark Centers Trust (the "Company") and its majority owned partnerships, including Mark Centers Limited Partnership (the "Operating Partnership"), and have been prepared in accordance with generally accepted accounting principles for interim financial information and with instruction to Form 10-Q

and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The information furnished in the accompanying consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned consolidated financial statements for the interim periods. Operating results for the six month period ended June 30, 1996 are not necessarily indicative of the results that may be expected for the fiscal year ended December 31, 1996.

The aforementioned consolidated financial statements should be read in conjunction with the notes to the aforementioned consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

2. ORGANIZATION AND FORMATION OF THE COMPANY

The Company was formed as a Maryland Real Estate Investment Trust ("REIT") on March 4, 1993 by Marvin L. Slomowitz (the "Principal Shareholder"), the principal owner of Mark Development Group (the "Predecessor"), to continue the business of the Predecessor in acquiring, developing, renovating, owning and operating shopping center properties. The Company effectively commenced operations on June 1, 1993 with the completion of its initial public offering, whereby it issued an aggregate of 8,350,000 common shares of beneficial interest to the public at an initial public offering price of $19.50 per share (the "Offering"). The proceeds of the Offering were used to repay certain property-related indebtedness, for costs associated with the Offering and transfer of the properties to the Company and for working capital. The acquisition of the properties was recorded by the Company at the historical cost reflected in the Predecessor's financial statements since these transactions were conducted with entities deemed to be related parties.

The Company currently owns and operates thirty-nine properties consisting of thirty-four neighborhood and community shopping centers, three enclosed malls and two mixed use (retail/office) properties. In addition, the Company currently has one community shopping center under construction in New Castle, Pennsylvania. All of the Company's assets are held by, and all of its operations are conducted through, the Operating Partnership. The Company will at all times be the sole general partner of, and owner of a 51% or greater interest in, the Operating Partnership. In excess of 99% of the minority interest in the Operating Partnership is owned by the Principal Shareholder who is the principal limited partner of the Operating Partnership.

3. SHAREHOLDERS' EQUITY AND MINORITY INTEREST

The following table summarizes the change in the shareholders' equity and minority interest since December 31, 1995:

(in thousands)

	Shareholders' Equity	Minority Interest
Balance at December 31, 1995	$69,779	$13,228
Income for the period January 1 through June 30,	130	74
Vesting of restricted shares	56	--
Distributions to Principal Shareholder	--	(1,212)
Dividends paid, $.36 per share	(6,151)	--
Balance at June 30, 1996	$63,814	$12,090

MARK CENTERS TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

4. RELATED PARTY TRANSACTIONS
As of June 30, 1996 amounts due from related parties consisted of the following (in thousands):

Accrued management fees due from Principal Shareholder for certain operating properties owned by the Principal Shareholder	$ 28
Accrued ground rent due from Blackman Plaza Partners (a limited partnership in which the Principal Shareholder is a 1% general partner)	261
	$289

Concurrent with the Offering, the Company obtained acquisition options to acquire six properties that were under development ("Development Properties") by the Principal Shareholder ("Acquisition Options"). Upon exercising an option, the Company immediately obtained title, completed all development and, depending on the Company's return on its investment, was to pay the Principal Shareholder all or a portion of an amount (the "Contingent Payment Amount") equal to (i) land acquisition costs, (ii) third party development costs, (iii) allocated overhead expenses and (iv) leasing commissions for all tenant leases signed prior to the Offering, and also was to pay an incentive payment equal to 5% of construction costs (excluding engineering, architectural and other "soft" costs). The Contingent Payment Amount was to be reduced proportionately to the extent that, within two years after completion of construction, the annualized net operating income derived from operation of the properties as to which options had been exercised did not generate a return on the Company's investment of at least 13.5%, giving effect to the payment of the Contingent Payment Amount.

In February 1996, the Board of Trustees of the Company and the Principal Shareholder agreed to terminate all outstanding Acquisition Options (other than the Acquisition Option pertaining to the New Castle property which had been terminated in May 1995), execute a new agreement as to the Development Property for which the Acquisition Option had been previously exercised and construction suspended, and review the purchase price for the properties for which Acquisition Options had been previously exercised and construction completed.

MARK CENTERS TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

4. RELATED PARTY TRANSACTIONS, continued
The Principal Shareholder's and Board's decision was intended to eliminate the appearance of potential conflicts of interest arising between the Principal Shareholder and the Company in the context of the Acquisition Options, and to eliminate potential disputes arising from the complex manner in which the reimbursement to the Principal Shareholder for the Development Properties was calculated.

As a result of this decision, the Company and the Principal Shareholder have executed agreements for the following:

The Principal Shareholder has repurchased the Columbia Towne

Centre, located in Hudson, New York, from the Company for a purchase price of $3,065,073.

The Company has purchased the Union Plaza, located in New Castle, Pennsylvania, from the Principal Shareholder for a purchase price of $4,500,000. This represents the amount the Principal Shareholder had invested in the property, which was less than the value of the property as determined by an independent appraiser.

The Company has completed its review of any payments due the Principal Shareholder for the acquisition of the Route 6 Mall (located in Honesdale, Pennsylvania) and the Bradford Towne Centre (located in Towanda, Pennsylvania) which are completed and currently operating, and the conveyance of approximately two acres of land by the Principal Shareholder which became part of the Route 6 Mall. As a result, the Company and Principal Shareholder terminated the Acquisition Options for these Development Properties and agreed to pay the Principal Shareholder $1,600,000.

As a result of these transactions and to reflect the net result of the purchase and sales price for these properties, the Company has issued a note payable to the Principal Shareholder for the principal sum of $3,030,427. The note, which bears interest at a rate equal to that charged by Fleet Bank, N.A. on the Company's revolving line of credit facility, is payable in full the earlier of (i) two years following the date the Union Plaza is completed or (ii) on June 12, 1999. Since the payment to the Principal Shareholder reflects in part land acquisition costs associated

4. RELATED PARTY TRANSACTIONS, continued
with the property, the Company has agreed with the Principal Shareholder to prepay the principal sum with any construction loan proceeds specifically allocable from land acquisition. The committed financing with First Western Bank, N.A. (see "Liquidity and Capital Resources") will not provide any proceeds allocable to land acquisition.

As of June 1996, The Company and Principal Shareholder had terminated the two remaining unexercised Acquisition Options for the Dallas, Pennsylvania and Gettysburg, Pennsylvania properties. Furthermore, as of June 1996, the Company and Principal Shareholder had terminated all remaining management agreements for properties in which the Principal Shareholder holds an interest.

5. LINE OF CREDIT
On June 14, 1996, the Company amended its line of credit facility with Firstrust Bank by increasing the principal amount from $6.0 to $7.5 million, extending the maturity date to June 30, 1997, modifying the interest rate to the higher of 8.75% or Firstrust Bank's commercial reference rate plus 1/2% and requiring monthly principal payments of $50,000 commencing January 1, 1997. A mortgage on Troy Plaza has been added to the existing mortgages on three properties as additional security for the facility.

6. PER SHARE DATA
Primary earnings per share are computed based on 8,561,294 and 8,569,143 shares outstanding, which represent the weighted average number of shares outstanding (including restricted shares) during the six month periods ended June 30 1996 and 1995, respectively. Fully diluted earnings per share is based on an increased number of shares that would be outstanding assuming the exercise of share options at the market price at the end of the period. Since fully diluted earnings per share is not materially dilutive or is anti-dilutive, such amounts are not presented.

7. SUBSEQUENT EVENTS

On July 12, 1996, the Company obtained a $2,000,000 mortgage loan from the First Federal Savings Bank of New Smyrna. The note, which is secured by a mortgage on the New Smyrna Beach Shopping Center, requires monthly payments of interest at 9.25% and principal amortized over a fifteen year period and matures on July 12, 2001.

On August 12, 1996, the Board of Trustees of the Company approved and declared a quarterly dividend for the quarter ended June 30, 1996 of $0.36 per common share. The dividend is to be paid on October 11, 1996 to the shareholders of record as of August 26, 1996.

MARK CENTERS TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

7. SUBSEQUENT EVENT, continued
On August 12, 1996, the Company signed a commitment letter with Morgan Stanley Mortgage Capital, Inc. for a mortgage loan in the maximum amount of $49,500,000. The facility, which will be secured by a first mortgage on 18 of the Company's properties, will bear interest equal to the 10-year United States Treasury rate as of the loan closing date plus 225 basis points. The loan will require monthly payments of interest and principal amortized over a 25 year period with a maturity of 10 years. Approximately $36.5 million of the proceeds will be used to retire existing debt, and $5.5 million of the proceeds will satisfy all costs and related escrows. The remaining proceeds will be available for working capital. The Company will be subject to certain affirmative and negative covenants, including the maintenance of a debt service coverage ratio. Funding is subject to execution of definitive documentation.

On August 12, 1996, the Company signed a commitment letter with First Western Bank, N.A. (the "Lender") for a construction loan (the "Loan") in the maximum amount of $12.0 million for construction of the Union Plaza in New Castle, Pennsylvania. Of the loan amount, $3.0 million will be available based on leases currently in place with an additional $2.0 million to be made available contingent on certain additional leases being executed. The remaining $7.0 million will be made available upon the Company issuing an irrevocable letter of credit for $7.0 million. During the construction period the Loan will require monthly payments of interest at the Lender's prime rate plus 1%. Following the construction period, the Loan will provide for an option to convert from a variable rate of interest to a fixed rate and in addition will require the monthly payment of principal amortized over a 15 year period. The Loan will mature on March 1, 2013, and is to be secured by a mortgage on the Union Plaza. The Company will be subject to certain affirmative and negative covenants, including the maintenance of a debt service coverage ratio. Funding is subject to execution of definitive documentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is based on the consolidated financial statements of Mark Centers Trust (the "Company") as of June 30, 1996 and 1995 and for the three and six months then ended.

This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These financial statements include all adjustments which, in the opinion of management, are necessary to reflect a fair statement of the results for the interim periods presented, and all such adjustments are of a normal recurring nature. Operating results for the six month period ended June 30, 1996 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 1996.

RESULTS OF OPERATIONS

Comparison of Three Months Ended June 30, 1996 to Three Months Ended June 30, 1995

Total revenue increased approximately $88,000 or 1%, to $10.7 million for the quarter ended June 30, 1996 compared to $10.6 million for the quarter ended June 30, 1995. Increases in minimum rent, percentage rent and tenant recoveries related to expansion, acquisition and development activities totalled approximately $472,000. This increase was offset by a decrease in minimum rents at comparable centers during the two periods due to the loss of rents arising from certain tenant bankruptcies which occurred after June 30, 1995 and a decrease in percentage rent due to timing differences affecting the period that tenant sales figures were received and percentage rent recognized in 1996 compared to 1995.

Operating expenses increased approximately $714,000, or 10%, to $7.6 million during the quarter ended June 30, 1996 compared to $6.9 million for the quarter ended June 30, 1995. Increases in property operating expenses of approximately $54,000 and real estate taxes of approximately $111,000 were attributable to expansion, acquisition and development activities following the quarter ended June 30, 1995. The remaining increase in property operating expenses of approximately $145,000, which occurred at comparable centers, was primarily a result of an increase in bad debt expense due to certain tenant bankruptcies and continued weakness among certain local and regional tenants and increased maintenance expenses. The increase in depreciation and amortization of approximately $337,000 was primarily due to additional depreciation expense related to retenanting, expansion, acquisition and development activities.

Net interest and related financing expenses increased approximately $476,000 for the quarter ended June 30, 1996 compared to the quarter ended June 30, 1995. This increase was attributable to higher average outstanding borrowings related to retenanting, acquisition, expansion and development activities.

As a result of the aforementioned changes in revenues and expenses, income before minority interest for the quarter ended June 30, 1996 decreased approximately $1.2 million to $18,000 from $1.2 million for the quarter ended June 30, 1995.

Comparison of Six Months Ended June 30, 1996 to Six Months Ended June 30, 1995

Total revenue increased approximately $907,000, or 4%, to $22.0 million for the six months ended June 30, 1996 compared to $21.0 million for the six months ended June 30, 1995. Increases in minimum rent, percentage rent and tenant recoveries as a result of expansion, acquisition and development activities since June 30, 1995 totalled approximately $1.3 million. Recovery of increased snow removal expenses from tenants at comparable centers also contributed to the increase in expense reimbursements for the six months ended June 30, 1996. These increases were offset by a decrease in minimum rents at comparable centers during the two periods due to the loss of rents arising from certain tenant bankruptcies which occurred after June 30, 1995 and a decrease in percentage rent due to timing differences affecting the period that tenant sales figures were received and percentage rent recognized in 1996 compared to 1995.

Operating expenses increased approximately $1.9 million, or 14%, to $15.7 million for the six months ended June 30, 1996 compared to $13.8 million for the six months ended June 30, 1995. Increases in property operating expenses and real estate taxes related to expansion, acquisition and development activities following June 30, 1995 were approximately $155,000 and $235,000, respectively. The increase in property operating expenses at comparable centers was primarily attributable to increased costs related to snow removal totalling $469,000 incurred due to the

extremely harsh winter experienced in the Northeast, an increase in bad debt expense due to certain tenant bankruptcies and continued weakness among certain local and regional tenants, increased maintenance, and legal expenses related to certain litigation. The increase in depreciation and amortization of approximately $686,000 was primarily due to additional depreciation expense related to retenanting, expansion, acquisition and development activities.

Net interest and related financing expenses increased approximately $1.1 million for the six months ended June 30, 1996 compared to the six months ended June 30, 1995. This increase was attributable to higher average outstanding borrowings related to retenanting, acquisition, expansion and development activities.

As a result of the aforementioned changes in revenues and expenses, income before minority interest for the six months ended June 30, 1996 decreased $2.2 million to $204,000 from $2.4 million for the six months ended June 30, 1995.

Funds from Operations

The Company, consistent with other REITs, considers funds from operations ("FFO") an important supplemental measure of operating performance. NAREIT defines FFO as net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Effective for 1996, NAREIT has established new guidelines clarifying its definition of FFO wherein the depreciation of non real estate assets and amortization of deferred financing fees should not be excluded in computing FFO. FFO does not represent cash generated from operations as defined by generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs. It should not be considered as an alternative to net income for the purpose of evaluating the Company's performance or to cash flows as a measure of liquidity. The following table sets forth the Company's calculation of FFO in accordance with the new NAREIT guidelines ("Adjusted funds from operations").

FUNDS FROM OPERATIONS
FOR THE THREE AND SIX MONTHS
ENDED JUNE 30, 1996 AND 1995
(in thousands, except per share amounts)

	Three months ended		Six months ended	
	6/30/96	6/30/95	6/30/96	6/30/95
Revenue				
Minimum rents (a)	$8,168	$8,106	$16,574	$15,901
Percentage rents	614	808	1,216	1,577
Additional rents-				
expense reimbursements	1,607	1,384	3,551	2,924
Other	239	242	462	501
Total revenue	10,628	10,540	21,803	20,903
Expenses				
Property operating (b)	2,222	1,972	4,963	4,164
Real estate taxes	1,368	1,176	2,666	2,295
General and administrative	710	726	1,461	1,400

Total operating expenses	4,300	3,874	9,090	7,859
Operating income	6,328	6,666	12,713	13,044
Interest and financing expense	3,076	2,600	6,050	4,954
Funds from operations (c)	3,252	4,066	6,663	8,090
Amortization of deferred financing costs	(235)	(186)	(469)	(475)
Depreciation of non real estate assets	(54)	(53)	(111)	(105)
Adjusted funds from operations (d)	$ 2,963	$ 3,827	$ 6,083	$ 7,510
Funds from operations per share(c)(e)	$ .32	$ .40	$ .66	$ .80
Adjusted funds from operations per share (d)(e)	$ .29	$ .38	$ .60	$ .74

Reconciliation of Adjusted Funds from Operations to Net Income determined in accordance with Generally Accepted Accounting Principles (GAAP)

Adjusted funds from operations above	2,963	3,827	6,083	$7,510
Depreciation and amortization of leasing costs	(2,980)	(2,693)	(5,891)	(5,205)
Straight-line rents and related write-offs net	42	13	34	52
Minority interest	(22)	(227)	(74)	(443)
Gain on sale of land	--	94	--	94
Other non-cash adjustments	(7)	(27)	(22)	(36)
Net income	$ (4)	$ 987	$ 130	$1,972
Net income per share (f)	$ .00	$ .12	$ .02	$ .23

(a) Excludes income from straight-lining of rents.

(b) Represents all expenses other than depreciation, amortization, write-off of unbilled rent receivables recognized on a straight-line basis and the non-cash charge for compensation expense related to the Company's restricted share plan.

(c) Funds from operations as defined by NAREIT prior to the 1995 White Paper on Funds from Operations is net income (computed in accordance with generally accepted accounting principles) excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

(d) Commencing in 1996, the Company has adopted the new NAREIT definition of Funds from Operations which does not add back amortization of deferred financing costs and depreciation of non real estate assets.

(e) Assumes full conversion of 1,623,000 and 1,621,000 Operating Partnership Units into common shares of the Company for the quarters ended June 30, 1996 and 1995, respectively, for a total of 10,171,817 and 10,164,452 shares, respectively.

(f) Net income per share is computed based on the weighted average number of shares outstanding for the six months ended June 30, 1996 and 1995 of 8,561,294 and 8,569,143, respectively.

LIQUIDITY AND CAPITAL RESOURCES
At June 30, 1996, the Company had $18.3 million outstanding on its Fleet Bank line of credit. The terms of the facility include interest at Fleet's Prime rate plus 1/4% or LIBOR plus 200 basis points, a May 31, 1997 maturity date, and certain affirmative and negative covenants. The facility is secured by mortgages on six of the Company's properties. The maximum loan amount has been reduced from $25 million to $20 million with the additional $1.7 million currently unavailable as it is subject to certain occupancy requirements at Ledgewood Mall.

At June 30, 1996, the Company had $20.4 million outstanding on a $22.5 million revolving credit facility from Mellon Bank, N.A. which is secured by mortgages on six of the Company's properties. The additional $2.1 million under this line of credit for property acquisitions, development, improvements and general working capital is not currently available because it is subject to certain collateral base borrowing restrictions. Advances under the facility bear interest at a floating rate equal to the prime rate plus 1/2% or LIBOR plus 200 basis points. The facility matures October 6, 1996.

On June 14, 1996, the Company modified its line of credit facility with Firstrust Bank by increasing the principal amount from $6.0 to $7.5 million, extending the maturity date to June 30, 1997, modifying the interest rate to the higher of 8.75% or Firstrust Bank's commercial reference rate plus 1/2% and requiring monthly principal payments of $50,000 commencing January 1, 1997. A mortgage on Troy Plaza has been added to the existing mortgages on three properties as additional security for the facility. As of June 30, 1996 $7.5 million is outstanding under this facility.

At June 30, 1996, the Company had $3.3 million outstanding on a construction loan from Mellon Bank, N.A. which is secured by one of the Company's properties. The $4.7 million facility bears interest equal to the bank's prime rate plus 1/2% or LIBOR plus 225 basis points and matures May 15, 1997.

LIQUIDITY AND CAPITAL RESOURCES, continued
The Company has additional mortgage indebtedness of $105.3 million outstanding which bear fixed rates of interest ranging from 7.7% to 9.11% and have maturities ranging from September 9, 1999 to June 1, 2008.

At June 30, 1996, the Company's capitalization consisted of $154.8 million of debt and $105.5 million of market equity (using a June 30, 1996 market price of $10.375 per share). The Company's interest coverage ratio was 2.1 to 1. Of the total outstanding debt, $105.3 million, or 68%, is carried at a fixed rate and the remaining $49.5 million, or 32%, is carried at variable rates.

The Company currently estimates that capital outlays for tenant improvements, related renovations and other property improvements will require $800,000 during the remainder of 1996. Additionally, capital outlays for ongoing property development in New Castle, Pennsylvania will be $10.3 million. Of these capital outlays, $5.5 million has been recorded and is reflected in accounts payable and accrued expense balances at June 30, 1996.

The Company has experienced a short-term cash shortfall which is likely to continue as a result of the delay in obtaining construction financing for the Union Plaza in New Castle, Pennsylvania, and the Company's decision to continue to fund the development of the project with cash from operations ($4.5 million has been paid through June 30,1996)in order to take advantage of certain construction cost economies and to meet certain tenant deadlines.

In addition, short term cash availability has been negatively impacted as a result of the $2.5 million purchase of the Jamesway lease at Ledgewood Mall to make space available for a large national discount department store for which a lease has been signed for 120,000 square feet (70,000 square feet was the space formerly occupied by Jamesway and 50,000 square feet is vacant contiguous space) at existing market rates which are substantially higher than the $1.90 per square foot paid by Jamesway. Cash flow has been further constrained by the unanticipated requirement for the repayment of $1.8 million of debt caused by the Rich's bankruptcy in Auburn, Maine, and certain other tenant bankruptcies which occurred in late 1995 and early 1996.

LIQUIDITY AND CAPITAL RESOURCES, continued
In response to these 1996 capital requirements, the Company signed a commitment letter with Morgan Stanley Mortgage Capital, Inc. on August 12, 1996 for a mortgage loan in the maximum amount of $49,500,000. The facility, which will be secured by a first mortgage on 18 of the Company's properties (15 of which are currently encumbered), will bear interest equal to the 10-year United States Treasury rate as of the loan closing date plus 225 basis points. The loan will require monthly payments of interest and principal amortized over a 25 year period with a maturity of 10 years. Approximately $36.5 of the proceeds will be used to retire existing debt, and $5.5 million of the proceeds will satisfy all costs and related escrows. The remaining proceeds will then be available for working capital. The Company will be subject to certain affirmative and negative covenants, including the maintenance of a debt service coverage ratio. This financing is subject to execution of definitive documentation.

The Company has also signed a commitment letter on August 12, 1996 with First Western Bank, N.A. (the "Lender") for a construction loan (the "Loan") in the maximum amount of $12.0 million for construction of the Union Plaza in New Castle, Pennsylvania. Of the loan amount, $3.0 million will be initially available based on leases currently in place with an additional $2.0 million to be made available contingent on certain additional leases being executed. The remaining $7.0 million will be made available upon the Company issuing an irrevocable letter of credit for $7.0 million. During the construction period the Loan will require monthly payments of interest at the Lender's prime rate plus 1%. Following the construction period, the Loan will provide for an option to convert from a variable rate of interest to a fixed rate and in addition will require the monthly payment of principal amortized over a 15 year period. The Loan will mature on March 1, 2013, and is to be secured by a mortgage on the Union Plaza. The Company will be subject to certain affirmative and negative covenants, including the maintenance of a debt service coverage ratio. This financing is subject to execution of definitive documentation.

LIQUIDITY AND CAPITAL RESOURCES, continued
The Company anticipates that the financings contemplated by these commitments will substantially alleviate the Company's current short-term cash shortfall. Nonetheless, the cash shortfall is likely to continue.

In addition, on July 12, 1996, the Company obtained a $2,000,000 mortgage loan from the First Federal Savings Bank of New Smyrna. The note, which is secured by a mortgage on the New Smyrna Beach Shopping Center, requires monthly payments of interest at 9.25% and principal amortized over a fifteen year period and matures on July 12, 2001.

The Company's current outstanding indebtedness and committed financings encumbers 36 of its 39 properties. The three remaining properties, with the exception of one property which the Company owns as ground lessor under a long-term ground lease, remain unencumbered, and therefore are available to secure potential future borrowings. Pursuant to covenants under the lines of credit with Fleet Bank and Mellon Bank, approval is needed from these lenders prior to the Company encumbering any additional properties.

HISTORICAL CASH FLOW

Historically, the principal sources for funding operations, renovations, expansion, development and acquisitions have been funds from operations and construction and permanent secured debt financings, as well as short term construction and line of credit borrowing from various lenders.

The following discussion of historical cash flow compares the Company's cash flow for the six months ended June 30, 1996 with the Company's cash flow for the six months ended June 30, 1995.

Net cash provided by operating activities increased from $7.9 million for the six months ended June 30, 1995 to $8.4 million for the six months ended June 30, 1996. This increase was primarily attributable to increased cash flow from accounts payable and tenant security and other deposits, offset by decreased cash flow from rents receivable and income before depreciation and amortization.

Investing activities used $8.0 million during the six months ended June 30, 1996, a $4.5 million decrease in cash used from the same period in 1995 due to decreased expenditures for real estate and improvements offset by an increase in deferred leasing charges due to the buyout of the Jamesway lease in 1996. Net cash used in financing activities was $2.7 million for the

HISTORICAL CASH FLOW, continued

six months ended June 30, 1996 representing a $7.8 million decrease from net cash provided by financing activities of $5.1 million for the six months ended June 30, 1995. This decrease is primarily attributable to a decrease in net proceeds received on mortgage notes.

INFLATION

The Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation on the Company's net income. Such provisions include clauses enabling the Company to receive percentage rents based on tenants' gross sales, which generally increase as prices rise, and/or, in certain cases, escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indexes.

In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek to increase rents upon re-rental at market rates if rents are below the then existing market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

PART II. OTHER INFORMATION

Items 1-5

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.5(e) Termination of Option Agreements between the Company and the Principal Shareholder to acquire certain properties

10.5(f) Option Agreement between the Company and the Principal Shareholder allowing the Company to acquire a certain property from the Principal Shareholder

10.5(g) First Amendment to Agreement of Sale and Purchase (Hudson, New York) between the Company and Marvin L. Slomowitz

10.13(b) Termination of Management Agreements

10.20(b) Amendment to Mortgage and Assignments of Rents and Leases between the Company and Firstrust Bank

10.21(a) Promissory Note Agreement between the Company and First Federal Savings Bank of New Smyrna

10.21(b) Mortgage Deed and Security Agreement between the Company and First Federal Savings Bank of New Smyrna

(b) Reports on Form 8-K

None

SIGNATURES

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

MARK CENTERS TRUST

By: /s/ Marvin L. Slomowitz
Marvin L. Slomowitz
Chief Executive Officer and Trustee (Principal Executive Officer)

/s/ Joshua Kane
Joshua Kane
Senior Vice President
Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)

Date: August 14, 1996

INDEX OF EXHIBITS PAGE

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TERMINATION OF OPTION AGREEMENT

This Termination Agreement is made this 29th day of May, 1996 by and between DALLAS ASSOCITES, L.P., a Pennsylvania limited partnership ("Dallas")and MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership ("MCLP").

RECITALS

A. Dallas and MCLP are parties to a certain Option Agreement dated as of June 1, 1993 (the "Option Agreement") pursuant to which Dallas granted to MCLP an option to purchase certain property owned by Dallas and located in Dallas Township, Luzerne County, Pennsylvania, more particularly described on Exhibit A attached hereto. The Option Agreement is evidenced by a Memorandum of Option Agreement also dated June 1, 1993.

B. At the February 13, 1996 meeting of the Board of Trustees of Mark Centers Trust, general partner of MCLP, the Board of Trustees agreed to cancel and to terminate the Option Agreement.

C. Dallas and MCLP are entering into this Termination Agreement in order to render the Option Agreement null and void and of no further force and effort.

NOW THEREFORE, for and in consideration of the covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The Option Agreement is null and void and of no further force and effect. Neither Dallas nor MCLP shall have any further rights or liabilities under the Option Agreement.

2. The Memorandum of Option Agreement is of no further force and effect.

IN WITNESS WHEREOF, Dallas and MCLP have executed this Termination Agreement as of the day and year first-above written.

DALLAS ASSOCIATES, L.P. a
Pennsylvania limited partnership
by its general partner

MARK DALLAS REALTY, INC.

By: /s/ Marvin L. Slomowitz
Name: Marvin L. Slomowitz
Title:President

MARK CENTERS LIMITED PARTNERSHIP, a
Delaware limited partnership, by
its general partner

By: MARK CENTERS TRUST

By: /s/ David S. Zook
Name: David S. Zook
Title: Executive Vice President

TERMINATION OF OPTION AGREEMENT

This Termination Agreement is made this 21st day of May, 1996 by and between MARK GETTYSBURG ASSOCIATES, L.P., a Pennsylvania limited partnership ("Gettysburg") and MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership ("MCLP").

RECITALS

A. Gettysburg and MCLP are parties to a certain Option Agreement dated as of June 1, 1993 (the "Option Agreement") pursuant to which Gettysburg granted to MCLP an option to purchase certain property owned by and located in Dallas Township, Luzerne County, Pennsylvania, more particularly described on Exhibit "A" attached hereto. The Option Agreement is evidenced by a Memorandum of Option Agreement also dated June 1, 1993.

B. At the February 13, 1996 meeting of the Board of Trustees of Mark Centers Trust, general partner of MCLP, the Board of Trustees agreed to cancel and to terminate the Option Agreement.

C. Gettysburg and MCLP are entering into this Termination Agreement in order to render the Option Agreement null and void and of no further force and effect.

NOW THEREFORE, for and in consideration of the covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The Option Agreement is null and void and of no further force and effect. Neither Gettysburg nor MCLP shall have any further rights or liabilities under the Option Agreement.

2. The Memorandum of Option Agreement is of no further force and effect.

IN WITNESS WHEREOF, Gettysburg and MCLP have executed this Termination Agreement as of the day and year first-above written.

MARK GETTYSBURG ASSOCIATES, L.P. a Pennsylvania limited partnership, by its general partner

MARK GETTYSBURG REALTY, INC.

By: /s/ Marvin L. Slomowitz
Name: Marvin L. Slomowitz
Title: President

MARK CENTERS LIMITED PARTNERSHIP, by its general partner

By: MARK CENTERS TRUST

By: /s/ David S. Zook
Name: David S. Zook
Title: Executive Vice President

Kelly Township
Union County, Pennsylvania

OPTION TO PURCHASE AGREEMENT

This Option to Purchase Agreement made as of the 21st day of May, 1996, by and between MARVIN L. SLOMOWITZ, an individual (the "Optionor"), and MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership ("Optionee").

BACKGROUND:

A. Optionor is the owner of approximately 26.6 acres of property located in the Township of Kelly, County of Union, Commonwealth of Pennsylvania (the "Premises"). The Premises are more particularly described on Exhibit A attached hereto.

B. Optionee is the owner of a shopping center adjacent to the Premises and may desire to expand the shopping center onto the Premises, and therefore desires an option to purchase the Premises.

C. Optionor wishes to grant to Optionee and Optionee wishes to take from Optionor the aforesaid option to purchase the Premises, all as more fully set forth below.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, and intending to be legally bound, Optionor and Optionee agree as follows:

1. Grant of Option. For and in consideration of the payments described in Paragraph 3 below, Optionor grants to Optionee, and Optionee takes from Optionor, the option to purchase the Premises (the "Purchase Option") at any time during the term of this Agreement by giving written notice to Optionor (the "Exercise Notice") of its election to exercise the Purchase Option.

2. Term.

(a) Term. The initial term of this Agreement shall commence as of the date hereof and shall end as of 11:59 p.m. on May 10, 1999 (the "Initial Term").

(b) Termination. Optionee may terminate the term of this Agreement at any time and for any reason whatsoever by giving written notice of such election to Optionor, in which event this Agreement shall become null and void and neither party shall have any further obligations or liabilities to the other.

3. Option Payments.

(a) Payments. Optionee has paid to Optionor contemporaneous with the execution of this Agreement the sum of Five Thousand Dollars ($5,000) in consideration of Optionor's grant of the Purchase Option to Optionee for the first year of the Term. Optionee shall be obligated to pay to Optionor an additional Five Thousand Dollars ($5,000) on the date which is the first anniversary of this Agreement and on the date which is the second anniversary of this Agreement.

(b) Failure to Make Option Payments. No failure by Optionee to make the payments under Paragraph 3(a) above shall be deemed a termination of the Purchase Option under this Agreement unless and until (i) Optionor has given Optionee notice of such termination and ten (10) business days within which to make such payment, or (ii) Optionee has terminated this Agreement.

4. Agreement of Sale. Upon the date that Optionee exercises the Purchase Option (the "Exercise Date"), this Agreement shall constitute an agreement of sale between Optionor and Optionee, whereby Optionor agrees to sell and Optionee agrees

to purchase the Premises upon the following terms and conditions:

(a) Closing. Closing for the purchase of the Premises shall be held within sixty (60) days of the Exercise Date, at such time, date ("Closing Date") and place as shall be set forth in a notice from Optionee to Optionor after the Exercise Date. The closing date shall not be earlier than fifteen (15) days nor later than sixty (60) days after the Exercise Date.

(b) Purchase Price. The purchase price for the Premises shall be One Million Three Hundred Twenty-Five Thousand Dollars ($1,325,000), provided, however, that the purchase price shall be reduced by (i) the total amount of the Option Payments made by Optionee described in subparagraph 3(a) above, (ii) the amount of any lien on the Premises plus accrued and unpaid interest thereon as of the Closing Date and (iii) the total of any award or other proceeds received by Optionor at any time from the date of this Agreement until Closing with respect to the taking or condemnation of any portion of the Premises. At Closing, the purchase price shall be paid by Optionee to Optionor by cashier's, title company or certified check, and Optionor shall assign to Optionee all of Optionor's claims to awards or other proceeds of the taking or condemnation of any portion of the Premises which have not yet been received by Optionor.

(c) Adjustments. All transfer taxes, documentary stamps and recording charges necessary to record the Deed (as defined in subparagraph (d) below) shall be split between Optionor and Optionee. Optionee shall bear the cost of the title insurance described in subparagraph 4(d) below, but Optionor shall bear all costs in the form of abatement of the purchase price associated with placing such title in the condition required by such subparagraph. Real estate taxes and water and sewer rents and charges (if any) shall be apportioned pro rata on a per diem basis as of the Closing Date.

(d) Condition of Title. At closing, Optionor shall convey to Optionee good and marketable fee simple title to the Premises by delivery of a special warranty deed, in recordable form (the "Deed"), such title to be free and clear of all liens, leases, encroachments, easements, restrictions, title company objections, and other encumbrances, except for those approved by Optionee, in its sole discretion. Optionee's title shall be insurable as aforesaid at ordinary rates by any reputable title company of Optionee's choice (the "Title Company") pursuant to an ALTA Owner's Policy of Title Insurance - 1970 - Form B - Amended October 17, 1970, with such endorsements thereto as Optionee shall request.

(e) Title Affidavits, Etc. Optionor agrees that it shall execute any instruments, agreements, affidavits or other documentation reasonably required by the title company insuring Optionee's title in order to effectuate the transaction contemplated hereby, and Optionor further agrees to execute any and all affidavits required by such title company as a condition to its insuring such title as aforesaid.

(f) Failure of Title. If title to any part of the Premises shall not be in accordance with the requirements of subparagraph 4(d) above, Optionee shall have the option of taking such title to the Premises as Optionor can give with an appropriate abatement of the purchase price and/or of terminating this Agreement.

(g) FIRPTA Certification. Optionor agrees to sign and deliver at closing a certification in form reasonably acceptable to Optionee in compliance with the Foreign Interest in Real Property Transfer Act.

(h) Survey. Optionor recognizes that Optionee may obtain a survey plan of the Premises prepared by a registered surveyor qualified to practice in the Commonwealth of Pennsylvania. At the option of Optionor, a description of the Premises contained in the Deed shall be based upon the survey as

well as the record description of the Premises.

(i) Automatic Extension of Term. Optionee's delivery to Optionor of an Exercise Notice shall automatically extend the term of this Agreement for a sufficient period of time beyond the then-applicable expiration date to accommodate the time periods provided in this Paragraph 4 (such as, without limitation, the possible occurrence of closing on as late as the 60th day following the Exercise Date).

5. Cooperation. At Optionee's request, Optionor shall cooperate with and assist Optionee in obtaining any permits or other approvals required for expansion of its existing shopping center onto the Premises (including without limitation, any permits or other approvals described in Paragraph 9 below). Optionor consents to Optionee's procurement of such permits or other approvals with respect to the Premises.

6. Operations Prior to Closing. Between the date of this Agreement and the earlier of its termination or the Closing Date:

(a) The Premises shall be maintained substantially in the same quality and condition on the Closing Date as on the date hereof.

(b) Optionor shall not enter into any contract for, or on behalf of, or affecting the Premises, which shall not terminate by its terms on or before Closing or which cannot be terminated at closing without cost, penalty or premium, and shall not enter into any new lease, or any amendment, modification or termination of any existing lease.

(c) All payments required to be made to contractors, subcontractors, mechanics, materialmen and all other persons in connection with work done or services performed with respect to the Premises shall be made by Optionor as and when due, but in any event prior to the closing date, and as of the closing date there shall be no basis for the filing of any mechanics' or materialmens' liens against the Premises or any part thereof on the basis of any work done or services performed with respect to the Premises.

(d) Optionor shall promptly deliver to Optionee a copy of any tax bill, notice or assessment, or notice of change in a tax rate or assessment affecting the Premises or any part thereof, any notice or claim of violation of any law, any notice of any taking or condemnation affecting or relating to the Premises or any part thereof, or any other notice affecting or relating to the Premises or any part thereof.

7. Representations and Warranties. Optionor, to induce Optionee to enter into this Agreement, represents and warrants to Optionee as follows:

(a) Optionor has full power and legal right and authority to enter into and perform its obligations under this Agreement, and the execution and delivery of this Agreement requires no further action or approval in order to make this Agreement a binding and enforceable obligation of Optionor.

(b) No individuals or entities other than Optionor have any legal, equitable or other claim or right with respect to the Premises or any part thereof.

(c) Neither the entering into of this Agreement, the consummation of the sale, if any, nor the prior conveyance of the Premises to Optionor, has or will constitute a violation or breach of any of the terms of any contract or other instrument to which Optionor is a party or to which he is subject or by which any of his assets or properties may be affected.

(d) No consent of any third party is required by Optionor to enter into this Agreement or to consummate the terms of this Agreement, were Optionee to exercise the Purchase Option.

(e) There is no action, suit or proceeding pending or, to the knowledge of Optionor, threatened against or affecting Optionor or the Premises or any portion thereof in any court or before or by any federal, state or local entity.

(f) There are no violations of any federal, state or local law, ordinance, order, regulation or requirement affecting any portion of the Premises and no written notice of any such violation has been issued by any governmental authority. Optionor shall cure, prior to closing, any such violation of which Optionor or Optionee receives notice prior to the closing date.

(g) There are no leases, tenancies, licenses or other rights of occupancy or use for any portion of the Premises, and no other contracts or agreements with respect to or affecting any portion of the Premises.

(h) No portion of the Premises is the subject of any abatement, reduction, deferral or "rollback" with regard to real estate taxes nor any agreement or arrangement whereby the Premises or any part thereof may be subject to the imposition of real property taxes after the closing date on account of periods of time prior to the closing date.

8. Environmental Matters. Optionor represents and warrants that (i) to the best of its knowledge there is no contamination present on the Premises or any part thereof, and that (ii) since Optionor's acquisition of the Premises, it has not placed in or upon the Premises or any part thereof, nor to the best of its knowledge has any other party placed in or upon the Premises, or any part thereof, any contamination. For purposes of this paragraph, the term "contamination" shall mean the uncontained presence of hazardous substances at the Premises or any part thereof, or arising from the Premises or any part thereof, which may require remediation under any applicable law. "Hazardous substances" shall mean any and/or all of the following: "hazardous substances" "pollutant or contaminant" as defined pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended from time to time, "hazardous waste" as defined pursuant to the Resource Conservation and Recovery Act, as amended from time to time, polychlorinated byphenals or substances containing polychlorinated byphenals, asbestos or materials containing asbestos, petroleum or petroleum products, urea formaldehyde foam insulation, or any other substances which may be the subject of liability pursuant to Environmental Laws (as defined below). Optionor represents and warrants that to the best of its knowledge, all activities at the Premises have been and are being conducted in compliance with all laws concerning discharges to the air, soil, surface water or ground water, and storage, treatment or disposal of, any contaminant (collectively, "Environmental Laws"). Optionor represents and warrants that to the best of its knowledge it does not know of any tanks, underground or otherwise, presently or formerly on the Premises, or any part thereof, used for the storage of any liquid, solid, gas or other material above or below ground on the Premises. Optionor agrees to indemnify, defend and hold harmless Optionee of, from and against any and all expense, loss or liability (including any and all reasonable legal fees and costs) suffered by Optionee by reason of Optionor's breach of any provisions of this Paragraph.

9. Investigation. Optionor shall afford Optionee and its representatives full access to the Premises, to all files, records and other information relevant to the Premises as Optionee shall reasonably request, and shall have the right to perform such tests and studies (including without limitation topographical studies, soils tests and engineering, environmental and other tests), prepare such plans and surveys and make such applications, inquires and searches of governmental records as Optionee shall deem necessary or appropriate in connection with its evaluation of the Premises and the feasibility of the Project; and Optionor shall cooperate fully with such

investigation of the Premises. With respect to material damage to the Premises caused by Optionee or its representatives during any such investigation, Optionee shall restore such damaged areas to substantially their same condition existing prior to such studies and tests.

10. Recording. Optionor agrees to sign a copy of this Agreement or a memorandum thereof in the form of Exhibit "B" attached hereto for purposes of recording this Agreement or such memorandum with the Recorder's Office of Union County, Pennsylvania.

11. Condemnation. Optionor has not received any notice of any condemnation proceeding or other proceedings in the nature of eminent domain or taking in connection with the Premises, or any part thereof. In the event Optionor receives any such notice, it will forthwith send a copy of such notice to Optionee, and Optionee shall have the sole right (in the name of Optionor or in its own name) to negotiate for, to agree to or to contest all offers and awards. If any portion of the Premises is taken or condemned, which, in Optionee's opinion, materially adversely affects the construction or operation of the Project, Optionee shall have the right to terminate this Agreement within twenty (20) days after first receiving written notice of such event.

12. Assignment. Optionee may assign its interests under this Agreement at any time, and upon any such assignment, shall be relieved of any and all liability hereunder.

13. Notices. All notices and other communications to be given under this Agreement shall be in writing and shall be hand delivered or sent by reputable, overnight courier service, or by registered or certified mail, return receipt requested addressed or sent as follows:

if intended for Optionor:

Marvin L. Slomowitz
313 Sylbert Drive
Kingston, PA 18704

if intended for Optionee:

c/o Mark Centers Trust
600 Third Avenue
Kingston, PA 18704
Attn: Steven M. Pomerantz, Esquire

All such notices or other communications shall be deemed to have been given on the date of delivery thereof if given by hand delivery, or on the date deposited with the courier service or the United States Postal Service if given by overnight courier service or United States mail, respectively. Notices by or to the parties may be given or their behalf by their respective attorneys.

14. Miscellaneous.

(a) Successors. This Agreement shall be binding upon and inure to the benefit of Optionor and Optionee and their respective heirs, executors, administrators, successors and assigns.

(b) Captions. The captions in this Agreement are inserted for convenience of reference only; they form no part of this Agreement and shall not affect its interpretation.

(c) Entire Agreement; Governing Law. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof, supersedes all prior or other negotiations, representations, understandings and agreements of, by or among the parties, express or implied, oral or written, which are fully merged herein. The express terms of this Agreement control and supersede any course of performance

and/or customary practice inconsistent with any such terms. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement unless such agreement is in writing and signed by the party against whom enforcement of such change, modification, discharge or abandonment is sought. This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania.

(d) Provisions Separable. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other provision may be invalid or unenforceable in whole or in part.

(e) Survival. Notwithstanding any presumption to the contrary, all covenants, conditions and representations contained in this Agreement, which, by their nature, impliedly or expressly, involve performance after settlement, or which cannot be ascertained to have been fully performed until after settlement, shall survive settlement.

(f) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall be binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected on this Agreement as the signatories.

(g) Interpretation. No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative or counsel drafted such provision.

(h) Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period provided in this Agreement shall end on a Saturday, Sunday or legal holiday, then the final day shall extend to 5:00 p.m. of the next full business day. For the purposes of this Section, the term "holiday" shall mean a day other than a Saturday or Sunday on which banks in the state in which the Real Property is located are or may elect to be closed.

In witness whereof, Optionor and Optionee have executed this Agreement as of the day and year first written above.

Optionor:

/s/ Marvin L. Slomowitz (SEAL)
Marvin L. Slomowitz

Optionee:

MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership, by its general partner

By: MARK CENTERS TRUST, a Maryland Business Trust

By: /s/ David S. Zook
Name: David S. Zook
Title: Executive Vice President

FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE

HUDSON, NEW YORK

This First Amendment is made this 12th day of June, 1996 by and between Marvin L. Slomowitz ("Slomowitz") and Mark Centers Limited Partnership ("MCLP").

RECITALS

A. Slomowitz and MCLP are parties to a certain Agreement of Sale and Purchase dated February 27, 1996 (the "Agreement") pursuant to which MCLP agreed to sell and Slomowitz agreed to purchase the Hudson Premises as more particularly described in the Agreement.

B. The Agreement provided that the purchase price would be paid by the delivery from Slomowitz to MCLP of a Purchase Money Note in the form of Exhibit "B" attached to the Agreement.

C. Slomowitz and MCLP are also parties to a certain Agreement of Purchase and Sale of even date herewith for certain of the partnership interests of Mark Twelve Associates, LP under which MCLP is delivering its Note (the "New Castle Note") to Slomowitz in consideration of the purchase price for the partnership interests to be acquired by MCLP and Mark Centers Trust in Mark Twelve Associates, L.P.

D. Slomowitz and MCLP have agreed to offset the principal balances due under the Note (as defined in the Agreement) and the New Castle Note so that there will be no promissory note payable from Slomowitz to MCLP in consideration of the Hudson Premises.

E. Slomowitz has elected to assign his right to acquire the Hudson Premises to Mark Nine Associates, L.P., a partnership wholly owned by Slomowitz.

F. Capitalized terms used in this First Amendment and not defined shall have the meanings given to them in the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MCLP and Slomowitz hereby agree as follows:

1. The Recitals described above are incorporated herein by reference as though fully set forth herein.

2. The Purchase Price described in paragraph 3 of the Agreement is acknowledged to be $3,065,073. Said Purchase Price is deemed to be paid upon delivery from MCLP to Slomowitz of the New Castle Note.

3. Closing under the Agreement shall occur contemporaneously with the execution of this Agreement on June 12, 1996.

4. Except as modified hereby, the Agreement otherwise remains in full force and effect and is ratified and confirmed.

IN WITNESS WHEREOF, MCLP and Slomowitz have executed this Agreement as of the day and year first above written.

MCLP:
Mark Centers Limited Partnership, a
Delaware partnership, by its
general Partner

By: MARK CENTERS TRUST

By: /s/ David S. Zook
David S. Zook

SLOMOWITZ:

By: /s/ Marvin Slomowitz
Marvin Slomowitz

TERMINATION OF MANAGEMENT AGREEMENT

This Termination Agreement is made this 12th day of June, 1996 by and between BLACKMAN REALTY, INC., a Pennsylvania corporation ("Blackman") and MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership ("MCLP").

RECITALS

A. Blackman and MCLP are parties to a certain Management Agreement dated as of June 3, 1993 (the "Management Agreement") pursuant to which MCLP is the manager of certain property owned by Blackman known as the Cinema 309 Theatre and located at Route 309 and Casey Avenue in Wilkes-Barre Township, Luzerne County, Pennsylvania (the "Property").

B. At the February 13, 1996 meeting of the Board of Trustees of Mark Centers Trust, general partner of MCLP, the Board of Trustees agreed to cancel and to terminate the Management Agreement.

C. Blackman and MCLP are entering into this Termination Agreement in order to render the Management Agreement null and void and of no further force and effect.

NOW THEREFORE, for and in consideration of the covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The Management Agreement is null and void and of no further force and effect. Except as expressly provided in Paragraph 2 below, neither Blackman nor MCLP shall have any further rights or liabilities under the Management Agreement.

2. MCLP hereby assigns, and Blackman hereby assumes, any and all existing contracts and permits in the name of MCLP relating to the Property. Blackman and MCLP reaffirm the survival of Sections 6.1 and 6.2 of the Management Agreement.

3. Blackman hereby acknowledges receipt of all items required to be delivered by MCLP under Section 11.5 of the Management Agreement. Attached hereto as Exhibit "A" is a reconciliation of all Management Fees due to MCLP under Section 3.1 of the Management Agreement and all expense reimbursements due to MCLP under Section 2.4 of the Management Agreement, prorated through the date of this Agreement.

IN WITNESS WHEREOF, Blackman and MCLP have executed this Termination Agreement as of the day and year first-above written.

BLACKMAN REALTY, INC.

By: /s/ Harvey Shanus
Name: Harvey Shanus
Title:

MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership, by its general partner

By: MARK CENTERS TRUST

By: /s/ David S. Zook
Name:David S. Zook
Title:Executive Vice President

TERMINATION OF MANAGEMENT AGREEMENT

This Termination Agreement is made this 12th day of June, 1996 by and between HONESDALE MALL ASSOCIATES, a Pennsylvania partnership ("Honesdale") and MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership ("MCLP").

RECITALS

A. Honesdale and MCLP are parties to a certain Management Agreement dated as of June 3, 1993 (the "Management Agreement") pursuant to which MCLP is the manager of certain property owned by Honesdale known as the Route 6 Plaza located in Honesdale Township, Wayne County, Pennsylvania (the "Property").

B. At the February 13, 1996 meeting of the Board of Trustees of Mark Centers Trust, general partner of MCLP, the Board of Trustees agreed to cancel and to terminate the Management Agreement.

C. Honesdale and MCLP are entering into this Termination Agreement in order to render the Management Agreement null and void and of no further force and effect.

NOW THEREFORE, for and in consideration of the covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The Management Agreement is null and void and of no further force and effect. Except as expressly provided in Paragraph 2 below, neither Honesdale nor MCLP shall have any further rights or liabilities under the Management Agreement.

2. MCLP hereby assigns, and Honesdale hereby assumes, any and all existing contracts and permits in the name of MCLP relating to the Property. Honesdale and MCLP reaffirm the survival of Sections 6.1 and 6.2 of the Management Agreement.

3. Honesdale hereby acknowledges receipt of all items required to be delivered by MCLP under Section 11.5 of the Management Agreement. Attached hereto as Exhibit "A" is a reconciliation of all Management Fees due to MCLP under Section 3.1 of the Management Agreement and all expense reimbursements due to MCLP under Section 2.4 of the Management Agreement, prorated through the date of this Agreement.

IN WITNESS WHEREOF, Honesdale and MCLP have executed this Termination Agreement as of the day and year first-above written.

HONESDALE MALL ASSOCIATES

By: /s/ Harvey Shanus
Name: Harvey Shanus
Title:

MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership, by its general partner

By: MARK CENTERS TRUST

By: /s/ David S. Zook

Name: David S. Zook
Title:Executive Vice President

TERMINATION OF MANAGEMENT AGREEMENT

This Termination Agreement is made this 12th day of June, 1996 by and between PITTSTON MALL ASSOCIATES, a Pennsylvania partnership ("Pittston") and MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership ("MCLP").

RECITALS

A. Pittston and MCLP are parties to a certain Management Agreement dated as of June 3, 1993 (the "Management Agreement") pursuant to which MCLP is the manager of certain property owned by Pittston known as the Pittston Mall located in Pittston Township, Luzerne County, Pennsylvania (the "Property").

B. At the February 13, 1996 meeting of the Board of Trustees of Mark Centers Trust, general partner of MCLP, the Board of Trustees agreed to cancel and to terminate the Management Agreement.

C. Pittston and MCLP are entering into this Termination Agreement in order to render the Management Agreement null and void and of no further force and effect.

NOW THEREFORE, for and in consideration of the covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The Management Agreement is null and void and of no further force and effect. Except as expressly provided in Paragraph 2 below, neither Pittston nor MCLP shall have any further rights or liabilities under the Management Agreement.

2. MCLP hereby assigns, and Pittston hereby assumes, any and all existing contracts and permits in the name of MCLP relating to the Property. Pittston and MCLP reaffirm the survival of Sections 6.1 and 6.2 of the Management Agreement.

3. Pittston hereby acknowledges receipt of all items required to be delivered by MCLP under Section 11.5 of the Management Agreement. Attached hereto as Exhibit "A" is a reconciliation of all Management Fees due to MCLP under Section 3.1 of the Management Agreement and all expense reimbursements due to MCLP under Section 2.4 of the Management Agreement, prorated through the date of this Agreement.

IN WITNESS WHEREOF, Pittston and MCLP have executed this Termination Agreement as of the day and year first-above written.

PITTSTON MALL ASSOCIATES

By: /s/ Harvey Shanus
Name: Harvey Shanus
Title:

MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership, by its general partner

By: MARK CENTERS TRUST

By: /s/ David S. Zook
Name: David S. Zook
Title:Executive Vice President

THIS AMENDMENT IS MADE
IN TRIPLICATE AND RECORDED IN THE
COUNTY OF MONROE, THE COUNTY OF LUZERNE
AND THE COUNTY OF LACKAWANA, PENNSYLVANIA

Loan No.
2-910590

AMENDMENT TO MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES

This AMENDMENT TO MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES ("Mortgage Amendment") is made this 14 day of June, 1996 by and between MARK CENTERS LIMITED PARTNERSHIP, a Delaware Limited Partnership ("Mortgagor"), and FIRSTRUST SAVINGS BANK ("Mortgagee").

RECITALS

A. Mortgagee is the holder of a Master Note from Mortgagor to Mortgagee dated December 21, 1995 in the original principal amount of Six Million Dollars ($6,000,000) ("Note") and Mortgagor and Mortgagee have executed a Note Modification Agreement of even date herewith (the "Note Amendment") whereby the Note has been amended to increase the principal amount thereof to Seven Million Five Hundred Thousand Dollars ($7,500,000), to change the interest rate thereunder, to extend the maturity date thereunder and to effectuate certain other modifications.

B. Payment of the Note is secured by three mortgage and security agreements, each dated December 21, 1995 from Mortgagor to Mortgagee (collectively the "Mortgages") and recorded as follows:

1. In the Recorder of Deeds office of Monroe County, Pennsylvania in Record Book 2021, Page 2378.

2. In the Recorder of Deeds office for Luzerne County in Mortgage Book 2008, Page 20.

3. In the Recorder of Deeds office for Lackawana County in Mortgage Book 1793, Page 527.

C. The Note is further secured by three Assignment of Rents and Leases, each dated December 21, 1995 (collectively "Assignment of Rents") and recorded as follows:

1. In the Recorder of Deeds Office for Monroe County in Record Book 2021, Page 2402.

2. In the Recorder of Deeds Office for Luzerne County in Deed Book 2549, Page 1160.

3. In the Recorder of Deeds Office for Lackawana County in Book 1532, Page 606.

D. Mortgagor and Mortgagee desire to modify and confirm that the Mortgages and the Assignments of Rents continue to secure the performance of Mortgagor's obligations under the Note, as amended by the Note Amendment.

NOW, THEREFORE, in consideration of the premises by each of the parties to the other, receipt of which is hereby acknowledged, and other good and valuable consideration, Mortgagor does hereby grant, bargain, sell, remise, release, enfeoff, confirm and mortgage unto Mortgagee all of the Mortgagor's right, title and interest in the land described in Exhibit "A" attached hereto and all buildings and improvements now or hereafter erected thereon, and the parties, intending to be legally bound, further covenant and agree as follows:

1. Mortgagor and Mortgagee confirm and agree that the Mortgages and the Assignments of Rents are modified and extended to secure, as a first lien on the premises described herein, the performance of the Mortgagor's obligations under the Note, as amended and supplemented by the Note Amendment.

2. Mortgagor stipulates and declares to Mortgagee that Mortgagor has no charge claim, demand, defense, counterclaim, plea or set-off upon, for or against the Note, the Mortgages or Assignments of Rents or against Mortgagee with respect to the loan evidenced by the Note.

3. It is expressly understood and agreed that the said Mortgagor is bound by a certain obligation or writing obligatory under his/her/its/their hands and seals duly executed, stands firmly bound unto this said Mortgagee in the sum of up to Seven Million Five Hundred Thousand Dollars ($7,500,000.00) and the Mortgages and Assignment of Rents are hereby amended to restate the maximum outstanding principal amount of the Note, as amended by the Note Amendment, as being Seven Million Five Hundred Thousand Dollars ($7,500,000). All references in the Mortgages and Assignments of Rents to the sum of Six Million Dollars ($6,000,000) shall hereafter be changed to the sum of Seven Million Five Hundred Thousand Dollars ($7,500,000).

4. All references to the Loan Agreement in the Mortgages shall also be deemed to refer to the Loan Agreement as amended by that certain First Amendment to Loan Agreement by and between Mortgagor and Mortgagee of even date herewith.

5. Paragraph 1 of the Riders to the Mortgages is amended to restate the amount of revolving credit facility from $6,000,000 to $7,500,000.

6. Paragraph 3 of the Riders to the Mortgages is hereby amended to reflect that the interest rate under the Note Amendment is the higher of: (i) eight and three-quarters percent (8.75%) per annum or (ii) the Firstrust Savings Bank Commercial Reference Rate (as defined in the Note Amendment) plus one-half percent (1/2%) per annum.

7. Paragraph 4 of the Riders to the Mortgages is hereby amended to provide that the obligation under the Note, as amended by the Note Amendment, shall mature and the entire amount advanced by Mortgagee will be due and payable on June 30, 1997 (the "Maturity Date").

8. Paragraph 5 (b) of the Riders to the Mortgages is hereby amended and restated as follows:

Payment of Principal: From and after January 1, 1997, and on the first day of the month thereafter until the maturity date, Mortgagor shall pay to Mortgagee a principal payment of Fifty Thousand ($50,000) Dollars each month. Partial or full prepayment of principal may occur at anytime without penalty or premium. For amounts greater than $250,000, Mortgagor shall provide Mortgagee with ten (10) days notice of their intention to

pay down the line.

9. Paragraph 22 is added to the Riders to the Mortgages as follows:

CROSS DEFAULT CLAUSE: A DEFAULT IN THE TERMS AND CONDITIONS OF THAT CERTAIN $2,500,000 MORTGAGE EXECUTED AND DELIVERED BY MORTGAGOR TO FIRSTRUST SAVINGS BANK ON JUNE 14, 1996 AND INTENDED TO BE RECORDED CONTEMPORANEOUSLY HEREWITH AND RECORDED IN RENSSELAER COUNTY, NEW YORK WITH RESPECT TO THE PREMISES KNOWN AS TROY PLAZA SHALL CONSTITUTE A DEFAULT HEREIN. LIKEWISE, A DEFAULT HEREIN SHALL CONSTITUTE A DEFAULT IN SAID $2,500,000 MORTGAGE.

10. Except as modified hereby, the Mortgages and the Assignments of Rents are ratified and confirmed and remain in full force and effect.

BORROWER:

MARK CENTERS LIMITED PARTNERSHIP, a Delaware Limited Partnership, by its general partner

BY: MARK CENTERS TRUST, a Maryland Business Trust

BY: /s/ Joshua Kane
Name: Joshua Kane
Title: Senior Vice President

ATTEST: /s/ Steven M. Pomerantz
Name: Steven M. Pomerantz
Title: Assistant Secretary

LENDER:

FIRSTRUST SAVINGS BANK

BY: /s/ William F. Bruckner
Name: William F. Bruckner
Title: Vice President

PROMISSORY NOTE

$2,000,000.00 New Smyrna Beach, Florida July 12, 1996

BORROWER:	LENDER:
MARK CENTERS LIMITED PARTNERSHIP	FIRST FEDERAL SAVINGS BANK
a Delaware limited partnership	OF NEW SMYRNA
600 Third Avenue	900 North Dixie Freeway
Kingston, PA 18704-1679	New Smyrna Beach, FL 32170

Principal Amount: $2,000,000.00 Fixed Rate: 9.25%
Date of Note: July 12, 1996

PROMISE TO PAY: Borrower promises to pay to Lender, or order, in lawful money of the United States of America, the principal amount of Two Million and 00/100 Dollars ($2,000,000.00), together with interest at the rate indicated below on the unpaid principal balance from July 12, 1996, until paid in full.

REPAYMENT SCHEDULE: Amortized over fifteen (15) years, fifty-nine (59) monthly installments (including interest) of $20,583.85 commencing on August 12, 1996, and on the same day of each successive month thereafter, together with a FINAL PAYMENT OF $1,628,285.51 due and payable on July 12, 2001.

PREPAYMENT; MINIMUM INTEREST CHARGE: Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of $10.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Borrower's making fewer payments.

LATE CHARGE: If a payment is ten (10) days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

DEFAULT: Borrower is granted a one time only ten (10) day advance written notice of monetary defaults and thirty (30) days advance written notice of non-monetary default with an extended cure right for any non-monetary default that cannot be cured within thirty (30) days. Borrower will be deemed in default if any of the following happens after the expiration of the above-referenced notice and grace periods: (a) Borrower fails to make any payment within thirty (30) days of its due date. (b) Borrower fails to perform promptly at the time and strictly in the manner provided in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) Any representation or statement made or furnished to Lender by Borrower in the loan documents is false or misleading in any material respect. (d) Borrower becomes insolvent, a receiver is appointed for any part of Borrowers property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by borrower or against Borrower under any bankruptcy or insolvency laws. (e) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest, including garnishment of any of Borrower's accounts with lender. (f) Any of the events described in this default section occurs with respect to any guarantor of this Note. (g) Any default under any security documents securing this Note. (h) Loss, theft, substantial damage, and destruction, not covered by collectable insurance, sale, or encumbrance to or of any of the collateral securing this Note.

LENDER'S RIGHTS: Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid

interest immediately due, without notice, and then Borrower will pay that amount. Upon default, including failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, increase the fixed rate on this Note to the amount allowed by law. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgement collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Florida. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Volusia County, the State of Florida. This Note shall be governed by and construed in accordance with the laws of the State of Florida.

COLLATERAL: This Note is secured by a Mortgage, Security Agreement, and Assignment of Rents, all dated of even date herewith, to Lender on real property located in Volusia County, State of Florida, more fully described on Exhibit "A" attached hereto, all the terms and conditions of which are hereby incorporated and made a part of this Note.

PAYMENTS: The monthly payments will be applied first to interest, balance to principal, provided, however, should the monthly interest due thereon exceed, from time to time, the sum of the monthly payment, then and in such event the monthly payments shall be increased by an amount equal to such excess interest.

COMMERCIAL AND BUSINESS PURPOSES: The entire loan proceeds will be utilized for business and commercial purposes.

GENERAL PROVISIONS: If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its right or remedies under this Note without losing them. Borrower any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS NOTE.

BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS NOTE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY AGREEMENT CONTEMPLATED TO BE

EXECUTED IN CONNECTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY WITH RESPECT HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER'S ACCEPTING THIS NOTE FROM BORROWER.

MARK CENTERS LIMITED PARTNERSHIP,
a Delaware limited partnership

BY: MARK CENTERS TRUST, General Partner

By: /s/ Joshua Kane
Joshua Kane, Senior Vice President and Chief Financial Officer

MORTGAGE DEED AND SECURITY AGREEMENT

THIS MORTGAGE DEED (the Mortgage), dates as of July 12, 1996, by and between MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership (hereinafter called Mortgagor) and FIRST FEDERAL SAVINGS BANK OF NEW SMYRNA, which is organized and existing under the laws of the United States of America, having office at 900 N. Dixie Freeway, New Smyrna Beach, Florida (thereinafter called Mortgagee);

WITNESSETH, that in consideration of the premises and in order to secure the payment of both the principal of, and interest and any other sums payable on the note (as hereinafter defined) or this Mortgage and the performance and observance of all of the provisions hereof and of said note, Mortgagor hereby grants, sells, warrants, conveys, assigns, transfers, mortgages and sets over and confirms unto Mortgagee, all of Mortgagor's estate, right, title and interest in, to and under all that certain real property situate in Volusia County, Florida, more particularly described as follows:

SEE LENGTHY LEGAL DESCRIPTION ATTACHED HERETO AND INCORPORATED HEREIN AS EXHIBIT "A"

TOGETHER WITH all improvements now or hereafter located on said real property and all fixtures, appliances, apparatus, equipment, furnishings, heating and air conditioning equipment, machinery and articles of personal property and replacement thereof (other than those owned by lessees of said real property) now or hereafter affixed to, attached to, placed upon, or used in any way in connection with the complete and comfortable use, occupancy, or operation of the said real property, all licenses and permits used or required in connection with the use of said real property, all leases of said real property now or hereafter entered into and all right, title and interest of Mortgagor thereunder, including without limitation, cash or securities deposited thereunder pursuant to said leases, and all rents, issues, proceeds, and profits accruing from said real property and together with all proceeds of the conversion, voluntary or involuntary of any of the foregoing into cash or liquidated claims, including without limitation, proceeds of insurance and condemnation awards (the foregoing said real property, tangible and intangible personal property hereinafter referred to collectively as the Mortgaged Property). Mortgagor hereby grants to Mortgagee a security interest in the foregoing described tangible and intangible personal property.

TO HAVE AND TO HOLD the Mortgaged Property, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions thereof and all the estate, right, title, interest, homestead, dower and right of dower, separate estate, possession, claim and demand whatsoever, as well in law as in equity, of Mortgagor and unto the same, and every part thereof, with the appurtenances of Mortgagor in and to the same, and every part and parcel thereof unto Mortgagee.

Mortgagor warrants that Mortgagor has a good and marketable title to an indefeasible fee estate in the real property comprising the Mortgaged Property subject to no lien, charge or encumbrance except such as Mortgagee has agreed to accept in writing and Mortgagor covenants that this Mortgage is and will remain a valid and enforceable mortgage on the Mortgaged property in the manner and form herein done or intended hereafter to be done. Mortgagor will preserve such title and will forever warrant and defend the same to Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages,

assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time require in order to preserve the priority of the lien of this Mortgage or to facilitate the performance of the terms hereof.

PROVIDED, HOWEVER, that if Mortgagor shall pay to mortgagee the indebtedness in the principal sum of $2,000,000.00 as evidenced by that certain promissory note (the Note), of even date herewith, or any renewal or replacement of such Note, executed by Mortgagor and payable to order of Mortgagee, with interest and upon the terms as provided therein, and together with all other sums advanced by Mortgagee, with interest and upon the terms as provided therein, and together with all other sums advanced by Mortgagee to or on behalf of Mortgagor pursuant to the Note or this Mortgage, the final maturity date of the Note and this Mortgage as specified in the Note and shall perform all other covenants and conditions of the Note, all of the terms of which Note are incorporated herein by reference as though set forth fully herein, and of any renewal, extension or modification, thereof and of this Mortgage, then this Mortgage and the estate hereby created shall cease and terminate.

Mortgagor further covenants and agrees with Mortgagee as follows:

1. To pay all sums, including interest secured hereby when due, as provided for the Note and any renewal, extension or modification thereof and in this Mortgage, all such sums to be payable in lawful money of the United States of America at Mortgagee's aforesaid principal office, or at such other place as Mortgagee may designate in writing.

2. To pay when due, and without requiring any notice from Mortgagee, all taxes, assessments of any type or nature and other charges levied or assessed against the Mortgaged Property or this Mortgage and produce receipts therefore upon demand. To immediately pay and discharge any claim, lien or encumbrance against the Mortgaged property which may be or become superior to this Mortgage and to permit no default or delinquency on any other lien, encumbrance or charge against the Mortgaged Property.

3. If required by Mortgagee, to also make monthly deposits with Mortgagee, in a non-interest bearing account, together with and in addition to interest and principal, of a sum equal to one-twelfth of the yearly taxes and assessments which may be levied against the Mortgaged Property, and (if so required) one-twelfth of the yearly premiums for insurance thereon. The amount of such taxes, assessments and premiums, when unknown, shall be estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such taxes, assessments and premiums when due. Any insufficiency of such account to pay such charges when due shall be paid by Mortgagor to Mortgagee on demand. If, by reason of any default by Mortgagor under any provision of this Mortgage, Mortgagee declares all sums secured hereby to be due and payable, Mortgagee may then apply and funds in said account against the entire indebtedness secured hereby. The enforceability of the covenants relating to taxes, assessments and insurance premiums herein otherwise provided shall not be affected except insofar as those obligations have been met by compliance with this paragraph. Mortgagee may from time to time at its option waive, and after any such waiver reinstate, any or all provisions hereof requiring such deposits, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay taxes, assessments and insurance premiums as herein elsewhere provided.

4. To promptly pay all taxes and assessments assessed or levied under and by virtue of any state, federal, or municipal law or regulation hereafter passed, against Mortgagee upon this Mortgage or the debt hereby secured, or upon its interest under this Mortgage, provided however, that the total amount so paid for any such taxes pursuant to this paragraph together with the interest payable on said indebtedness shall not exceed the highest lawful rate of interest in Florida and provided further that in the event of the passage of any such law or regulation imposing a tax or assessment against Mortgagee upon this Mortgage

or the debt secured hereby, that the entire indebtedness secured by this Mortgage shall thereupon become immediately due and payable at the option of Mortgagee.

5. To keep the Mortgaged Property insured against loss or damage by fire, and all perils insured against by an extended coverage endorsement, and such other risks and perils as Mortgagee in its discretion may require. The policy or policies of such insurance shall be in the form in general use from time to time in the locality in which the Mortgaged Property is situated, shall be in such amount as Mortgagee may reasonably require, shall be issued by a company or companies approved by Mortgagee, and shall contain a standard mortgagee clause with loss payable to Mortgagee. Whenever required by Mortgagee, such policies, shall be delivered immediately to and held by Mortgagee. Any and all amounts received by Mortgagee under any of such policies may be applied by Mortgagee under any of such policies may be applied by Mortgagee on the indebtedness secured hereby in such manner as Mortgagee may, in its sole discretion, elect or, at the option of Mortgagee, the entire amount so received or any part thereof may be released. Neither the application nor the release of any such amounts shall cure or waive any default. Upon exercise of the power of sale given in this Mortgage or other acquisition of the Mortgaged Property or any part thereof by Mortgagee, such policies shall become the absolute property of Mortgagee.

6. To first obtain the written consent of Mortgagee, such consent to be granted or withheld at the sole discretion of Mortgagee, before (a) removing or demolishing any building now or hereafter erected on the premises, (c) making any repairs which involve the removal of structural parts or the exposure of the interior of such building to the elements, (d) cutting or removing or permitting the cutting and removal of any trees or timber on the Mortgaged Property, (e) removing or exchanging any tangible personal property which is part of the Mortgaged Property.

7. To maintain the Mortgaged Property in good condition and repair, including but not limited to the making of such repairs as Mortgagee may from time to time determine to be necessary for the preservation of the Mortgaged Property and to not commit or permit any waste thereof, and Mortgagee shall have the right to inspect the Mortgaged Property on reasonable notice to Mortgagor.

8. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Mortgaged Property, and not to cause or permit any violation thereof.

9. If Mortgagor fails to pay any claim, lien or encumbrance which is superior to this Mortgage, or when due, any tax or assessment or insurance premium, or to keep the Mortgaged property in repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting the Mortgaged Property or the title thereto, or the interest of Mortgagee therein, including, but not limited to, eminent domain and bankruptcy or reorganization proceedings, then Mortgagee, at its option, may pay said claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of such purposes Mortgagee may advance such sums of money, including all costs, reasonable attorney's fees and other items of expense as it deems necessary. Mortgagee shall be the sole judge of the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium and of the amount necessary to be paid in satisfaction thereof. Mortgagee shall not be held accountable for any delay in making any such payment, which delay may result in any additional interest, costs, charges, expenses or otherwise.

10. Mortgagor will pay to Mortgagee, immediately and

without demand, all sums of money advanced by Mortgagee to protect the security hereof pursuant to this Mortgage, including all costs, reasonable attorney's fees and other items of expense, together with interest on each such advancement at the highest lawful rate of interest per annum allowed by the law of the State of Florida, and all such sums and interest thereon shall be secured hereby.

11. All sums of money secured hereby shall be payable without any relief whatever from any valuation or appraisement laws.

12. If default be made in payment of any instalment of principal or interest of the Note or any part thereof when due, or in payment, when due, or any other sum secured hereby, or in performance of any of Mortgagor's obligations, covenants or agreements hereunder, all of the indebtedness secured hereby shall become and be immediately due and payable at the option of Mortgagee, without notice or demand which are hereby expressly waived, in which event Mortgagee may avail itself of all rights and remedies, at law or in equity, and this Mortgage may be foreclosed with all rights and remedies afforded by the laws of Florida and Mortgagor shall pay all costs, charges and expenses thereof, including a reasonable attorney's fee, including all such costs, expenses and attorney's fees, for any retrial, rehearing or appeals. The indebtedness secured hereby shall bear interest at the highest lawful rate of interest per annum allowed by the law of the State of Florida from and after the date of any such default of Mortgagor. If the Note provides for instalment payments, the Mortgagee may, at its option, collect a late charge as may be provided for in the Note, to reimburse the Mortgagee for expenses in collecting and servicing such instalment payments.

13. If default be made in payment, when due, of any indebtedness secured hereby, or in performance of any of Mortgagor's obligations, covenants or agreement hereunder:

(a) Mortgagee is authorized at any time, without notice, in its sole discretion to enter upon and take possession of the Mortgaged property or any part thereof, to perform any acts Mortgagee deems necessary or proper to conserve the security and to collect and receive all rents, issues and profits thereof, including those past due as well as those accruing thereafter; and

(b) Mortgagee shall be entitled, as a matter of strict right, without notice and exparte, and without regard to the value or occupancy of the security, or the solvency of Mortgagor, or the adequacy of the Mortgaged Property as security for the Note, to have a receiver appointed to enter upon and take possession of the Mortgaged Property, collect the rents and profits therefrom and apply the same as the court may direct, such receiver to have all the rights and powers permitted under the laws of Florida.

In either such case, Mortgagee or the receiver may also take possession of, and for these purposes use, any and all personal property which is a part of the Mortgaged property and used by Mortgagor in the rental or leasing thereof or any part thereof. The expense (including receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. Mortgagee shall (after payment of all costs and expenses incurred) apply such rents, issues and profits received by it on the indebtedness secured hereby in such order as Mortgagee determines. The right to enter and take possession of the Mortgaged Property, to manage and operate the same, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee.

14. If the indebtedness secured hereby is now or hereafter further secured by chattel mortgages, security interests, financing statements, pledges, contracts of guaranty, assignments of leases, or other securities, or if the Mortgaged property hereby encumbered consists of more than one parcel of real property, Mortgagee may at its option exhaust any one or more of said securities and security hereunder, or such parcels of the security hereunder, either concurrently or independently, and in such order as it may determine.

15. This Mortgage shall secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, but such secured indebtedness shall not exceed at any time the maximum principal amount of two times the amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies, or insurance on the Mortgaged property, with interest on such disbursements. Any such future advances, whether obligatory or to be made at the option of the Mortgagee, or otherwise, may be made either prior to or after the due date of the Note or any other notes secured by this Mortgage. This Mortgage is given for the specific purpose of securing any and all indebtedness by the Mortgagor to Mortgagee (but in no event shall the secured indebtedness exceed at any time the maximum principal amount set forth in this paragraph) in whatever manner this indebtedness may be evidenced or represented, until this Mortgage is satisfied or record. All covenants and agreements contained in this Mortgage shall be applicable to all further advances made by Mortgagee to Mortgagor under this future advance clause.

16. No delay by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder. No waiver by Mortgagee of any default shall constitute a waiver of or consent to subsequent defaults. No failure of Mortgagee to exercise any option herein given to accelerate maturity of the debt hereby secured, no forbearance by Mortgagee before or after the exercise of such option and no withdrawal or abandonment of foreclosure proceeding by Mortgagee shall be taken or construed as a waiver of its right to exercise such option or to accelerate the maturity of the debt hereby secured by reason of any past, present or future default on the part of mortgagee shall not be taken or construed as a waiver of its right to accelerate the maturity of the debt hereby secured.

17. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent:

(a) Release any person liable for payment of all or any part of the indebtedness or for performance of any obligation;

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, on subordinating, modifying or otherwise dealing with the lien or change hereof;

(c) Exercise or refrain from exercising or waive any right Mortgagee may have;

(d) Accept additional security of any kind; and

(e) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part

of the Mortgaged Property.

18. Any agreement hereafter made by Mortgagor and Mortgagee pursuant to this mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

19. mortgagor hereby waives all right of homestead exemption, if any, in the Mortgaged Property.

20. In the event of condemnation proceedings of the Mortgaged property, the award or compensation payable thereunder is hereby assigned to and shall be paid to Mortgagee. Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. In any such condemnation proceedings, Mortgagee may be represented by counsel selected by mortgagee. The proceeds of any award or compensation so received shall, at the option of Mortgagee, either be applied to the prepayment of the Note and at the rate of interest provided therein, regardless of the rate of interest payable on the award by the condemnation authority, or at the option of Mortgagee, such award shall be paid over to Mortgagor for restoration of the Mortgaged Property.

21. If Mortgagee, pursuant to a construction loan agreement or loan commitment made by Mortgagee with Mortgagor, agrees to make construction loan advances up to the principal amount of the Note, then Mortgagor hereby covenants that it will comply with all of the terms, provisions and covenants of said construction loan agreement or loan commitment, will diligently construct the improvements to be built pursuant to the terms thereof, all of the terms thereof which are incorporated herein by reference as though set forth fully herein and will permit no defaults to occur thereunder and if a default shall occur thereunder, it shall constitute a default under this Mortgage and the Note.

22. At the option of Mortgagee, Mortgagor shall provide Mortgagee with periodic certified audited statements of the operations of and the financial condition of Mortgagor.

23. The loan represented by this Mortgage and the Note is personal to the Mortgagor and the Mortgagee made the loan to the Mortgagor based upon the credit of the Mortgagor and the Mortgagee's judgement of the ability of the Mortgagor to repay all sums due under this Mortgage, and therefore this Mortgage may not be assumed by any subsequent holder of an interest in the Mortgaged property. If all or any part of the Mortgaged Property, or any interest therein, is sold, conveyed, transferred (including a transfer by agreement for deed or land contract) or further encumbered by Mortgagor without Mortgagee's prior written consent excluding the grant of any leasehold interest in the Mortgaged Property not containing an option to purchase, which lease is made in the ordinary course of Mortgagor's business, then in that event Mortgagee may declare all sums secured by this Mortgage immediately due and payable.

24. Mortgagor represents and warrants that if a corporation, it is duly organized and validly existing, in good standing under the laws of the state of its incorporation, has stock outstanding which has been duly and validly issued, and is qualified to do business and is in good standing in the State of Florida, with full power and authority to consummate the loan contemplated hereby; and, if a partnership, it is duly formed and validly existing, and is fully qualified to do business in the State of Florida; with full power and authority to consummate the loan contemplated hereby.

25. In the event any one or more of the provisions contained in this Mortgage or in the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provisions of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The total interest payable pursuant

to the Note or this Mortgage shall not in any one year exceed the highest lawful rate of interest permitted in the State of Florida.

26. The covenants and agreements herein contained shall bind and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. All covenants, agreements and undertakings shall be joint and several. In the event additional numbered covenants or paragraphs are for convenience inserted in this Mortgage, such additional covenants shall be read and given effect as though following this covenant in consecutive order.

27. SEE RIDER TO MORTGAGE DEED AND SECURITY AGREEMENT INCORPORATED HEREIN.

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the date first above written.

THIS IS A BALLOON MORTGAGE AND THE FINAL PRINCIPAL PAYMENT OR THE PRINCIPAL BALANCE DUE UPON MATURITY IS $1,628,285.51, TOGETHER WITH ACCRUED INTEREST, IF ANY, AND ALL ADVANCEMENTS MADE BY THE MORTGAGOR UNDER THE TERMS OF THIS MORTGAGE.

MARK CENTERS LIMITED PARTNERSHIP, a Delaware limited partnership
By: MARK CENTERS TRUST, General Partner

BY /s/ Joshua Kane, Sr VP & CFO
Joshua Kane

As its Senior Vice President and
Chief Financial Officer

RIDER TO MORTGAGE DEED AND SECURITY AGREEMENT

This Rider to Mortgage Deed and Security Agreement ("Rider") is made this 12th day of July, 1996, and is incorporated into and shall be deemed to amend and supplement the Mortgage Deed and Security Agreement (hereinafter "Security Instrument") of same date given by the undersigned (hereinafter "Mortgagor") to secure Borrower's promissory note to First Federal Savings Bank of New Smyrna, the mortgagee (hereinafter "mortgagee") of even date and covering the "Property" as defined in the Security Instrument.

Additional Covenant. In addition to the other covenants and agreements made in this Security instrument, Mortgagor further covenants to Mortgagee and agree as follows:

1. Environmental Condition of property; Indemnification.

Mortgagor warrants to the best of its knowledge and presents to Mortgagee except for the small tank located near the Goodyear site, after thorough investigation that: (a) the property is now and at all times hereafter will continue to be in full compliance with all Federal, State and local environmental laws and regulations, including but not limited to, the Comprehensive Environmental Response, Compensation and liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 eq sea., and the Superfund Amendments and Reauthorization as may be amended from time to time, and the Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law No. 99-499, 100 Stat. 1613, as may be amended from time to time; (b) (i) as of the date hereof there are no hazardous materials, substances, wastes or other environmentally regulated substances, wastes or other environmentally regulated substances (including without limitation, any materials containing asbestos) located on, in or under the property or used in connection therewith, or (ii) Mortgagor has fully disclosed to mortgage in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally regulated substances, wastes or other environmentally regulated substances, which mortgagor is legally authorized and empowered to maintain on, in or under the property or use in connection therewith; and (c) Mortgagor has obtained and will maintain all licenses, permits and approvals. Mortgagor further represents and warrants that it will promptly notify Mortgagee of any change in the nature or

extent of any hazardous materials, substances or wastes maintained on, in or under the Property or used in connection therewith, and will transmit to Mortgagee copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Property. Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all damages, penalties, fines, claims, liens, suits liabilities, costs (including clean-up costs), judgements and expenses (including attorneys' consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against Mortgagee as a direct or indirect result of any warranty or representation made by Mortgagor in the preceding paragraph being false or untrue in any material respect or any requirement under the law, regulation or ordinance, local, state or Federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by Mortgagee, mortgagor or any transferee of or successor of Mortgagee or Mortgagor.

Mortgagor's obligations hereunder shall not be limited to any extent by the term of the promissory note secured by the Security Instrument, and, as to any act or occurrence prior to payment in full and satisfaction of such note which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said note and the Security Instrument, or delivery of a deed in lieu of foreclosure.

2. Prohibition of additional financing, further liens. An important component of the consideration for the extension of credit evidenced by the note secured by this mortgage is mortgagor's equity in the property encumbered by this mortgage and the maintenance of such equity (as increased through future appreciation, if any) during the term of this mortgage. Mortgagor shall not, without the written consent of Mortgage, obtain additional financing of any kind relating to the property encumbered by this mortgage or cause or permit any further lien of any kind to be imposed on the property. Any violation of this provision will, at the option of the mortgagee, constitute a default under this mortgage.

3. Cross default. The note secured by this mortgage is also secured by the following instruments:

a) Promissory Note of even date herewith
b) Assignment of Rents, Leases & Profits
c) UCC-I (County & State)

A default under any of the above instruments shall constitute a default under this mortgage, and the holder shall have all the remedies provided herein, including the option to accelerate the unpaid principal balance, without prior notice or demand.

Additionally, a default under any loan commitment or loan heretofore or hereafter made by any lending institution to mortgagor shall, at the option of the mortgagee, constitute a default under the mortgage and note, and under all other commitments or loans made to mortgagor by the mortgagee.

4. Waiver of Right to Jury Trial. As additional consideration for the granting of the loan evidenced by the Note secured by this mortgage, the mortgagor hereby waives the right to a trial by jury with respect to any litigation based on the Note, Mortgage (or any other loan documents), any Guaranty of the Note or obligation evidenced thereby, the loan commitment letter dated June 5, 1996, any obligation arising from or evidenced by any of the foregoing instruments, or any course of dealing, course of conduct, statements, (whether verbal or written), or actions of mortgagor relating to any of the foregoing matter or instruments.

5. Loan Commitment Provisions Survive Closing. The Conditions, provisions and obligations set forth in that certain First Federal Savings Bank of New Smyrna, loan commitment letter, dated June 5, 1996, shall survive the closing of the loan transaction evidenced by the Note, Mortgage or any related loan documents, and shall be fully binding upon the Mortgagor.

6. Severability. If any term, condition or covenant of this mortgage, the Note or any other document secured by this Mortgage, or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Mortgage, Note and other loan documents and the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant or condition of this mortgage, the Note and other documents shall be valid and enforceable to the fullest extent permitted by law.

By signing below, Mortgagors accept and agree to the terms and covenants contained in this Rider.

EXECUTED, as of the date and year first stated above.

MARK CENTERS LIMITED PARTNERSHIP,

a Delaware limited Partnership
By: MARK CENTERS TRUST,
General Partner

By: /s/ Joshua Kane
Joshua Kane
Senior Vice President and
Chief Financial Officer

This instrument prepared by:
W.M. Gillespie, Esquire
Gillespie & Gillespie, P.A.
233 North Causeway
New Smyrna Beach, Florida 32170