

Bird Bay Plaza

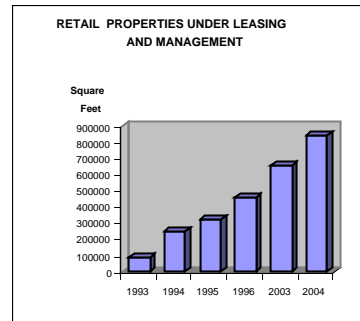
We believe Bird Bay Plaza is another major success story of our 2003. Although we lost our Buddy Freddy's Buffet, our new Dollar General Store opened and the Buddy Freddy's out-parcel is now underway to become a Boaters World in seven thousand two hundred (7,200) square feet and the additional two thousand eight hundred (2,800) square feet will be the site where we will be relocating our Sarasota Coastal Credit Union. Boater's World is a national chain owned by Ritz Camera and by relocating the Credit Union to an out-parcel where they can have new drive-thrus and ATM facilities which will enhance their business and cement the tenant relationship for many years to come with the Bird Bay Plaza Shopping Center. The center has been beautifully upgraded and still looks great. We are expecting to continue seeing a trend towards additional national tenants at the Bird Bay Plaza.

Brickell Properties

Our big success story of the year came in the Brickell area. Although we still own Brickell Station Associates, Commodore Realty and Max D. Puyanac sold the property known as Brickell West for four million two hundred and fifty thousand (\$4,250,000) dollars and the Brickell Oaks was sold for three million three hundred thousand (\$3,300,000) dollars. Although these properties produced skimpy returns during our ownership, Brickell Oaks returned over two hundred percent (200%) per annum capital gain at the time of sale and Brickell West generated a fifty nine percent (59%) per annum gain over our period of ownership. Yes, those numbers are not a misprint. These were sold at per square foot prices which were at record levels for the Brickell area. The area continues to prosper with a spurt of new construction and high rise buildings under construction in every direction. The block between Brickell West and Brickell Station Associates is now under construction with a four hundred (400) unit apartment building and one hundred and seventy (170,000) thousand square feet of retail. This property will further transform the Brickell area. Max D. Puyanac acquired an additional Brickell property during the 1st quarter of 2004 in the same block as Brickell Station Associates. This site, across from the Metrorail Station, might be the most valuable site in all of Brickell in the years ahead.

Palmetto Kash n' Karry

During the year 2003 Max D. Puyanac acquired through Marlin Investments, LLC a free standing Kash n' Karry store in the Palmetto market. This forty four thousand (44,000) square foot store includes a pharmacy and a liquor store and is one of the top grossing stores in the Kash n' Karry chain which is owned by Delhaize America. Delhaize Group is a worldwide grocer owning approximately three thousand (3,000) stores with approximately twelve hundred (1,200) in the United States of America.



Commodore Realty, Inc.

Commodore has continued to prosper with all of the results of our individual properties. We have made a commitment to upgrade our offices by the acquisition of a new office building at 30 West Mashta Drive on Key Biscayne. This move will increase our stature in the industry and position us for continued growth. We will increase our staff as this move progresses and further refine our management practices so as to be able to do an ever better job in managing our properties. We are committed to our strategy to the long-term growth through smart management of our current portfolio and a plan to double our size over the next five to seven years.

Max D. Puyanac

Chief Executive Officer

REPORT FROM THE BRIDGE

Annual Report
April 2004



Palmetto, Florida Kash n' Karry



**Commodore
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**Continuing to Add
Value**

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2003 continued to bring prosperity to the retail segment of the real estate market. Although the economy did not make huge gains and there was very insignificant growth in employment, consumer confidence remained upbeat. In addition, the low interest rates and the continued refinancing boom tied to escalating home values along with the tax cut passed by the Bush administration resulted in freeing up dollars. Consumers did not hesitate to use these available funds to purchase goods and services in an effort to enhance their everyday lives. The results were fantastic for retail. Tenants continued to pursue available space for expansion and as a result retail vacancy declined, and rents increased. Our properties continued to benefit from this trend. The trend also resulted in bidding up the price of shopping centers and reducing cap rates making it almost impossible for us to find another worthwhile acquisition during the calendar year. We anticipate that interest rates will start to go up during the year 2004 and as they do we expect that the market will quiet down a bit and a new opportunity will be presented for Commodore Realty's continued growth.

Our big news of the year was the sale of two of our Brickell properties and the acquisition of a new office building on Key Biscayne which will become the new home of Commodore Realty.

The following are a brief synopsis of each of the properties activities for the year 2003. The overall picture here is a good one in so far as we are continuing to upgrade the properties by bringing in new national tenants and thereby reducing our risk and guaranteeing a more stable cash flow from tenants who are less likely to be affected by the ups and downs in the economy.

Sarasota Commons Shopping Center

We remained mostly occupied at the Sarasota Commons Shopping Center. Our Publix deal for a new lease has come to an end, as the terms under which we were negotiating were unacceptable. We have relocated our Aarons Rental Store into the location formerly occupied by General Electric's Telephone Calling Center and have added a Subway store. During 2004 we remain committed to continuing to upgrade the Sarasota Commons and plan a major remodel of the property.

Sarasota Crossings Shopping Center

In 2003 the Sarasota Crossings stood out among our properties because of the greatest number of changes occurring that will be positive over the long run. We have relocated Movie Gallery, a New York Stock Exchange company, into the former credit union space. We have also relocated the Enviroeneers Outfitters to the former Manatee Mattress space between Eckerd and Publix.

These moves were made to clear the way for deals with Washington Mutual and Starbucks at much higher rents than we have been accustomed to getting at the Sarasota Crossings Shopping Center. In fact, all of our new deals are at higher rents. We have also brought in Nextel and are in the processing of bringing in Lady of America Health Clubs and a boutique gift store. Additionally, our Movie Theatres have turned out to be particularly successful and broke into percentage rent in their first year of operation.

We lost our golf store through the retirement of its owner and the Good Friend Computer Learning Center closed. These two spaces are adjoining and result in a ten thousand (10,000) square foot box now available for lease. We are selectively moving forward with looking for the appropriate new anchor tenant to bring in to replace the golf store and the computer-learning center.

Other big news is that the property next door to us has been sold to Wal-Mart for a Wal-Mart Super Center and a parcel across the street has been sold to Lowes, the home improvement competitor to Home Depot. These are both great news for the Sarasota Crossings raising the profile of our neighborhood for retail usage.

Delray Towne Center

Delray Towne Center at Military Trail and Linton Boulevard finished the year fully leased. The existing dry cleaner drop store relocated to the one thousand (1,000) square foot vacancy to allow Quizno's Subs to lease their larger one thousand three hundred (1,300) square foot store. The larger five thousand (5,000) square foot vacancy was rented to an Asian Bistro (Japanese and Chinese Cuisine), which opened last month.



Tavernier Towne Cinema
Completed 2003

Tavernier Towne Shopping Center

This property has taken a lot of time and energy once again during 2003 in order to complete the expansions that were underway. The Community Bank has moved into its new out parcel location next to McDonalds on the highway and their building turned out beautiful. The movie theatre has been expanded from two to five screens and reopened in August of 2003. They are doing record sales and have transformed the shopping center into a nighttime mecca of activity. We also added the Anthony's Italian Restaurant nearby the theatre which has been a smashing success. The Cover-to-Cover Bookstore was sold and the new operators have completely remodeled and this too has taken on a new character for the property. The results are a bustling activity both days and nights. We expect this trend to continue at Tavernier and are in the process of finalizing a deal to bring in Pier 1 Imports into the Upper Keys in an eleven thousand (11,000) square foot vacancy that we have created by our new four thousand five hundred (4,500) square foot addition plus the termination of our lease with Gambro Healthcare for six thousand five hundred (6,500) square feet adjoining the new space. Pier 1 is a premier retailer in America and we expect their addition to continue to upgrade the Tavernier Towne Shopping Center into an upscale property. It will probably take most of 2004 to complete our plans for this property.

Trafalgar Square Shopping Center

Trafalgar Square remains one hundred (100%) percent occupied and performing well. We were unable to complete our repainting and our refurbishment during 2003 and will be doing so during 2004 instead. Part of our plans were delayed because of the need to make some changes in our exterior lighting which plans are now underway.

We would like to welcome the following Tenants to the Commodore Family.

