

HARBOR PLAZA SHOPPING CENTER

Harbor Plaza is 100% occupied and continues to provide a host of important services and retail opportunities to the community. Our Island Athletics store is the only sport's store in Key Biscayne and does a landmark business in fulfilling an important need in the community. The Golden Hog has stepped up to the plate doing a great job as a specialty grocer and carries all the high end products and specialty items that are in demand.

KEY BISCAYNE GATEWAY

Our Key Biscayne Gateway block remains mired in controversy with the Village of Key Biscayne doing everything they can to keep us from utilizing this property. It's a problem when government acts unethically.

MARRIETA SQUARE SHOPPING CENTER

Marietta Square continues to operate short a few tenants that we are trying to find for this property. We have changed our strategy a bit in looking for the tenant replacements and are working diligently to make these deals.

PALMETTO WINN-DIXIE SUPERMARKET & LIQUOR STORE

Winn-Dixie/BiLo took over this property from Sweetbay Supermarket in 2014 and we are pleased to report that this has gone in a good direction. The store looks great but most of all it is performing great. The monthly sales reports from Winn-Dixie indicate a significant increase in sales in the store over the last year. We expect this trend to continue.



PALMETTO WINN-DIXIE SUPERMARKET

SARASOTA COMMONS SHOPPING CENTER

Sarasota Commons provided a highlight in our 2014 year because of the fact that we made our last mortgage payment, which brought the property free and clear of debt.

The property is in good condition and poised for a significant improvement to our partners bottom line. We have had the good fortune to lease some significant spaces, including bringing in highly coveted Sherwin Williams as a tenant and The Dark Side Comics & Game store opened as well in 6,350 SF. The center is also improved with adding Rosatti's Pizza, Tin Fish Restaurant and Nicky's Vapor Bar. We also relocated the Chinese restaurant and expanded them into a full restaurant rather than solely a takeout establishment.

We are pleased to report that other properties in the Commodore portfolio will also be free and clear over the next five years offering significant increases to cash flow to our investors.

SARASOTA CROSSINGS SHOPPING CENTER

During 2014 the partnership was able to make an exciting acquisition and buy one of the remaining outparcels that was not owned by the partnership. We acquired the Shell gas station and have been working to find a new tenant to redevelop that outparcel. We have signed a deal with Pollo Tropical.

We were able to welcome Great Clips and Holistic Pets into the shopping center this year, as well as a home improvement purveyor called My Shower Door.

ST. ARMANDS CIRCLE

We are pleased with our new tenants the Peanut Shop and the Blu Kouzina Restaurant. The Peanut Shop opened quickly and has been successful. Blu Kouzina is a Mediterranean/Greek restaurant which is distinguished as one of the top 100 restaurants in southeast Asia. They have opened now on St. Armands Circle to rave reviews. We have done a lot of improvements at this property during the last year, including a new roof on the Presidents Building, new bathrooms, new marble entryway and other improvements to the common areas of the Ringling building so as to bring this beautiful building up to date and increase its desirability.



BLU KOUZINA

TAVERNIER TOWNE SHOPPING CENTER

The Florida Keys are back as a preferred destination for tourism and especially second homes and mini vacations for Floridians. The keys are so busy that demand for just about everything has increased there.

We had good leasing success adding Community Health, AT&T, Scooby's Popcorn and Key Largo Yoga during 2014. The adjoining Mariner's Hospital is bustling with activity

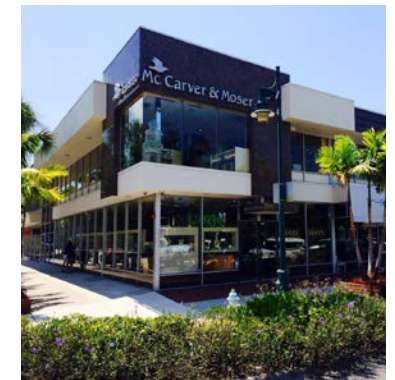
The Florida Department of Transportation has also begun a road beautification project that covers a portion of US1, including that part in front of the Tavernier Towne Shopping Center which will soon be complete.

TRAFALGAR SQUARE

Our anchor tenant Monterrey Market failed within a short number of months after opening. Through Daniel Sehayik's effort we managed to line up a good group of competing latin supermarkets all with interest in our space. We closed a new deal with El Bodegon Supermarket and they have taken possession of the space and are already preparing to open. This was all done within a period of approximately four months in addition to adding two other small tenants and expanding the Piper's Sports Bar and Grill. We must give the leasing team a great compliment on how this was handled. We also closed our deal with AutoZone and they have taken possession of their space and are working on their buildout. They will be our first phase in a façade remodel over their space and we will ultimately follow up by doing a complete façade remodel on the balance of the shopping center within the next two years. We still have plenty of space to lease at this property from the remainder of the original Winn Dixie box and look forward to making significant progress with that opportunity during 2015.

REPORT FROM THE BRIDGE

Annual Report May 2015



RINGLING BUILDING
ST. ARMANDS CIRCLE

Commodore Realty, Inc.
30 W. Mashta Drive, Suite 400
Key Biscayne, FL 33149
Phone: 305.365.2600
Fax: 305-365-0800
www.CommodoreRealty.com

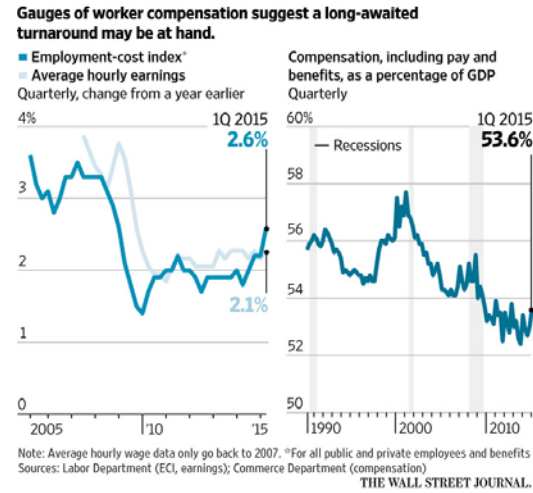
The last year provided time for recovery both for the improvement in the business cycle and for me personally in the miraculous improvement to my health. I am truly thankful for both.

Our economy is awash in new money created by the Fed's quantitative easing and now the whole world has climbed on the bandwagon seeing who can print money the fastest. Values of just about everything have increased giving everyone a warm glow that things are better as a result of their comfortably inflated balance sheets. Stocks and real estate are up and housing prices have come back enough for most Americans to feel that wealth effect adding a little security back into their lives.

The big banks have seen their balance sheets and corresponding income inflate, and the Federal Reserve has seen record growth in its own balance sheet as a result of the four trillion in bonds it purchased in the process of quantitative easing. There are as many construction cranes hovering over Miami as there were at the tail end of the last boom and it seems like more appear every day. In many markets housing prices are setting new records. This alone should be seen as a flashing <WARNING>.

The herd mentality is once again in full stampede. With so much pressure on decision makers not to make a mistake, following the herd seems to be the safe play. Just do what everyone else is doing. It all sounds pretty good. Therefore the question is, are we in the 9th inning of this game or already in overtime?

There are 49,000,000 people in soup lines and 100,000,000 Americans on some form of food program. Although a few retailers including Walmart and McDonalds have given small minimum wage increases, the greatest improvements have come so far to the middle class family as a result of the savings they have found at the gas pump. The precipitating cause of the decline in energy prices is technology in the oil field arising out of fracking and we have no idea what the ultimate cost of fracking will be. The unintended consequences of fracking are still unknown and largely unregulated although we keep hearing about the side effect of polluted water and how Oklahoma had an average of two earthquakes per year a few years ago. Last year Oklahoma had 600 earthquakes. Unfortunately getting a cheaper fill up at the pump has won over most Americans.



Our climate is different it seems, with drought in California, record snow storms in the northeast and rising seawater as a result of the glacial melting. Miami, Florida has been identified as ground zero for the greatest impact by this change.

In a study conducted by the wildlife group WWF and the Zoological Society of London overall animal population of the world has fallen by 52% in the years between 1970 and 2010. Although much of the decline is attributed to habitat destruction such as changes in the Amazon Basin, climate change has certainly played a role, although a role much harder to quantify.

Our changing planet also offers a plethora of new political and social ills which promise other reasons for concern. The Muslim world population will soon exceed the Christian population, and the militancy of this divide promises a new level of tension in our future. The redistribution of wealth and the decline in future employment opportunities dictates a need for a change in education and yet the political divide has clearly reduced those opportunities. What will happen to all the Uber, truck, and cab drivers, and the like as self driving cars and trucks become common in the years to come?

There is little reason to doubt that the level of risk in our world is much greater than we have seen in the past with all these inflated balance sheets, after all the bigger they are the harder they fall.

The certainty in our future is another round of bubbles bursting and economic collapse. Indeed the collapse of energy prices is the canary in the coal mine. The only difference is the bursting of the energy bubble has done more to benefit the average American and the pain has been limited to the oil and gas industry which gets little sympathy.

Classic economic theory would dictate that creation of more money will result in re-pricing of assets. When the rules change again, changing the cost of financing these same assets at their new lofty levels, there will be plenty of pain to share. I truly don't see us making it past 2015 without this process beginning.

As stated in the beginning, we are happy that there has been a positive turn in the business cycle. This has resulted in an improvement of our leasing of vacant space and in improved tenant retention at the properties. Make no mistake, the improvement is not so great as the increased demand to purchase commercial property would indicate. That increased demand is being generated by large amounts of money that can't find a return in alternative investments and is looking at single tenant assets and similar properties in the marketplace as an alternative source of cash flow. As we have always said, cash flow is king and now more than ever as people in their retirement who have savings are looking for a way to replace their salaries with income from investments.

The Commodore Realty team has done a great job this year with David Puyanic leading the team. Our leasing team has been successful in identifying opportunities and executing on them more quickly than ever in the past. I must compliment Nicole Christodoulou on her great work and the professional image that she has polished in her 9 years with the company. Our new leasing associate Daniel Sehayik has demonstrated an eagerness to learn and succeed and in his short time with us has succeeded in closing some big deals. He is off to a great start.

We welcome new team members Guillermo Alvarez, Director of Leasing and Tenant Relations, Matthew Hale, Assistant Property Manager and Maurice Pipkin, Property Manager and Director of Construction.

BIRD BAY PLAZA

We continue working with opportunities at the Bird Bay Plaza to enhance customer satisfaction. We made some cosmetic improvements to the property with new stone

work that was done on the columns, and now are working to get approval of a few traffic circulation improvements within the property, including the ability to have an easier access on inbound traffic to reach the Auto and Pool supply store. We have also been working with the county in order to have an official entrance to the Legacy Trail which adjoins the property, so as to enhance the ability of those recreating on the trail to utilize the Bird Bay Plaza for their needs. We have also pushed the property in the direction of more practical, everyday use tenants such as the Boost Mobile, Mattresses & More and a new Eye Glass tenant.



BIRD BAY PLAZA

BRICKELL PROPERTY

Our 7-Eleven store at 1099 SW 1st Avenue has become a huge success. In fact all of the convenience stores and pharmacies that have sprung up in the downtown and Brickell area are booming with new activity. The new Whole Foods downtown may be the most beautiful Whole Foods store in the Miami-Dade county market. It is so overwhelmed with activity at lunch time that it's hard to make it through a checkout aisle. Brickell condos are filled with people who are in many cases renters from the ultimate owners but nevertheless consumers who are using the market amenities, including retail and restaurants, providing a burgeoning opportunity. The Swire Properties project for the Brickell City Center is reaching the point of being topped off and now working towards completion. It promises a whole new host of opportunities for retail and other living amenities for the market.

COMMODORE PLAZA

Our office building is in beautiful condition after our recent exterior upgrades and we have now brought in a new tenant Pacer Partners who is engaged in the commercial real estate business and has taken over suites 400 and 500 and combined them in a beautiful new facility for their offices.