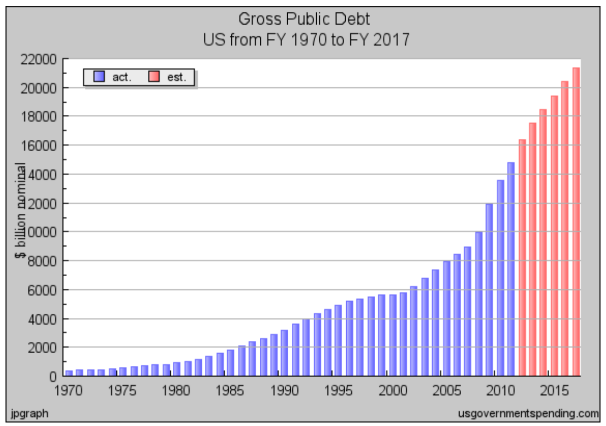
We have enjoyed another year of steady progress at Commodore Realty, leasing up some vacant space and paying off debt. Both of these goals are at the forefront of our business plan.

In the meantime, the world has continued to follow the United State's lead in the pursuit of an economic shot in the arm through loose monetary policy. Quantitative easing equates to creating money and the United States has created an immense amount of it through the Feds purchase of almost 4 trillion in Bonds and the spiraling increase in national debt. All this money chasing the same assets has had some positive impact and after all a little progress feels better than no progress at all. I for one also believe there has been a great deal of negative results of going wild with the printing press and only time will tell if the end result will be more bad than good. Many economists would advise to invest in hard assets and of course the gold bugs would be barking for a return to gold for a hard currency.

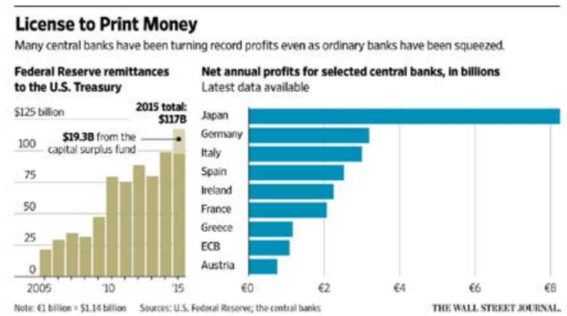


President: Ronald Reagan	1981 to 1989
President: George H.W. Bush	1989 to 1993
President: Bill Clinton	1993 to 2001
President: George W. Bush	2001 to 2009
President: Barack Obama	2009 to Present

Although the United States allegedly stopped the program of quantitative easing and was planning to raise interest rates, the Fed barely got started with one little increase and has since only done a lot of talking and very little acting. In fact, the Fed has acquiesced to further easy money creation by failing to act and thereby tacitly approving a low interest rate environment and supporting a weak dollar. Unfortunately this policy has not done much to increase demand for goods and services globally and that is the heart of the problem. All those balloons just keep getting bigger but there is little real growth.

Now Europe has initiated their own plan of bond buying and money creation to stimulate their economy and weaken the Euro in an effort to make Europe more price competitive. Once again this plan just redistributes demand to the cheaper provider and therefore at best is a temporary fix and one that will be at the cost of other trading partners losing business to the more competitive low cost provider. What we really need is growth in demand for goods and services. This growth requires more of a long term investment in productivity and technology that in turn raises people's living standards and gives them the savings through added wages, which they can use to purchase new goods and services and enhance their lives.

The politics of 2016 cannot agree on a plan that creates a fiscal stimulus even though the financial ministers and central bankers of all the world's leading economies have called for less reliance on a monetary policy fix and more upon sound fiscal planning. For now, the message is loud and clear that monetary easing is and will continue to be the fix of choice and we will continue to likely have more money chasing a finite inventory of assets and ultimately raising their price often beyond their worth and all of this continuing until the next inevitable bust. In the meantime, since this policy of cheap money is coming to an end and interest rates are approaching zero or below zero, the question is where can we go from here? The answer in Europe is to move rates into negative territory, so that you would have to pay to park your money. Just think taking our money away from us through a new strategy of confiscating it at the bank rather than through taxes or in some other fashion. Since there is no value being placed on the money it is easy to treat money with a more callous disregard further encouraging pumping up that bubble. Look at Argentina who 3 months ago was totally broke and now with the change of political regime just issued a new record $16 billion dollar bond issue. Who buys $16 billion dollars worth of garbage when that issuer was in default just a few months ago. Whoever they are I expect they will in the future be the victims of another default. I think it best that we not forget history so quickly. There is an inevitability of change before us in this election year so let's just sit back with the remote control in our hands and watch the outcome of our ever evolving world as it plays out before us. But please don't get too comfortable for the long term. When you print all that money it comes with some risks and these too may be more than anyone was bargaining for.



In the meantime, the following provides an update regarding our portfolio.

Key Biscayne Gateway
We are pleased to report that we have sold the entry block of Key Biscayne for the sum of $15 million dollars. Although this was far less than we felt the property was worth based upon our plan for development, we spent 3 years beating our heads against the wall trying to get approval of that development plan while being fought tooth and nail by the Village of Key Biscayne. Our choice was dictated by the circumstances. Either keep fighting the Village and being beaten into dust, or take a profit even though it was less than our plans for this choice property was projected to yield and cut our chance of this turning into a losing proposition. We took the only choice and accepted the money. Now we must decide whether it is worth it to pursue a claim against the Village who acted unethically in violating our legal rights to develop this property. Ultimately we will make that decision this year. One thing that we know for sure after this experience is playing by the rules is no assurance of success and political corruption remains a problem at all levels of government.

Marietta Square Shopping Center
We are pleased with the near completion of the new I-10 interchange which will serve the Marietta area, as well as the Marietta Square Shopping Center. This multimillion highway improvement will inevitably have a positive impact on Beaver Street and the surrounding neighborhood. We are happy to see the new grocery anchor completing their year with increasing sales. We have recently entered into a lease for one of our remaining vacancies that was still empty at the end of 2015 and therefore we are reaching a turning point with this property which will once again enhance Marietta Square's cash flow. The problem we are faced with at Marietta is we must hold onto our cash to be able to replace a tenant if we need to and to replace the roof on 50% of the shopping center. Therefore our ability to pay out a cash distribution is hampered by these looming risks. By remaining conservative with the cash flow we greatly enhance the preservation of the partnership capital. With only 8.5 year remaining of mortgage and our cash reserves improving we are optimistic that the property will stabilize and permit us to do the roof replacement on the remaining portion of the Shopping Center. In other words we must manage our cash conservatively for now to ensure a long term future for this property. We work hard on each of our deals to ensure they will be successful and have not given up our plans to make Marietta Square a success as well.

Tavernier Towne Shopping Center
The Keys have come back strong from the 2008 recession and there is a significant increase in property values as well as occupancy in the Keys. Tavernier Towne remains a premier destination property in the Keys with Winn Dixie, Pier One Imports, the movie theaters, Family Dollar and Post Office. We expect to complete some major improvements this year including the roof replacement that has been in the planning stage for the last few years along with air conditioning, painting, lighting and landscape improvements as well. These projects will cost more than $1,000,000 but are needed. The improvements once made should carry the property through 2020.

Trafalgar Square Shopping Center
We are thrilled with the opening of the El Bodegon Supermarket which has created a whole new energy at the Trafalgar Square Shopping Center. The new Hispanic Grocery anchor has enticed other new tenants to take the remaining portion of the former Winn Dixie space. We plan to continue the Hispanic evolution of the property during 2016.We also added AutoZone to our tenant roster and entered into a new lease with Family Dollar Stores. We are planning to move forward with the façade remodel at the property by the end of 2016.The façade remodel is the final major step in our plans for Trafalgar. In addition to the façade remodel we will also pursue another round of other needed improvements at the property including landscaping, lighting, irrigation and parking lot improvements. These improvements will also likely cost approximately $1,000,000 and will require a great deal of attention to detail. We expect our property management team to work hard and make sure this money is well spent.