

Brickell Properties

The level of activity in the Brickell area continues to accelerate. There is at present a 497-unit apartment building under construction next door to the site owned by Brickell Station Associates and planned developments in every block between 8th Street and 13th Street in the main West Brickell area where most of our holdings are concentrated. Along Brickell proper, the completion of several important additions to the neighborhood, including the J W Marriott Hotel, the Mandarin Oriental Hotel and the Barclay Financial Center have resulted in a whirlwind of new activity in the area. Additionally, the Espirito Santo Financial Center on 14th and Brickell and the new 78-story Millennium Project will further change the face of the neighborhood. We continue to have great faith in the future of the Brickell Area.

Sunset Plaza

A new adjacent parking lot has satisfied the fundamental problem of this property by providing relief to the formerly tight parking conditions. The result of the added parking and an improvement in the marketplace has brought a substantial improvement in rents and our quality of tenants continues to improve at this property.

DelrayTowne Center

This Albertson's anchored center remains 100% leased.

Commodore Realty

Your Commodore team is working better than ever and looks forward to fulfilling our goals for the coming year.

Max D. Puyanich
Chief Executive Officer
April 2001



Sarasota Commons Shopping Center

At the end of the year 2000, we have also accomplished a lot at the Sarasota Commons Shopping Center. Our new Southside Athletic Club has opened and is a state-of-the-art facility with swimming pool, hot tub, and massage therapy, in addition to weight training and cardiovascular facilities. Also, the Postal Service opened their lobby this year which, along with the Athletic Club, has resulted in a huge new patron base visiting the center on a daily basis. We currently estimate that there are more than twice as many people visiting the center as there were during 1999. We have also completed a recent round of upgrades based upon our five-year cycle for painting, seal coating and other improvements. The Center was also treated to a substantial amount of lighting improvements, including new pole lamps in front of the main arcade area and additional lighting under the arcade to provide a warmer reception to the new patrons of the Athletic Club and Postal Service lobby which use the facility to a later hour in the day than was common with our prior tenants. Our only remaining vacancy is a 2,100 square foot bay, as everything else was rented during the year 2000, including new tenants with a tanning salon and a health food store, both of which were chosen to compliment our new Athletic Club facility. We also increased our distribution to our partners at Sarasota Commons right after the first of the year, and anticipate additional increases as we continue to pay off debts we incurred for the addition of these new tenants.

REPORT FROM THE BRIDGE

Annual Report
April 2001



Tavernier Towne Center



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The year 2000 was a year full of accomplishments with regard to our commitment towards an improved tenant base at all of our properties. We expect to achieve 100% occupancy in three of our properties during the year 2001. We completed our refinancing of the Tavernier Towne Shopping Center and have parked sufficient funds after consolidating the ownership of the Center into a single trust to complete our expansion.

Although the economy has slowed substantially and the stock market has endured a severe correction, commercial real estate is still chugging along. We attribute this to three principal reasons: (1) the tax law was changed by Congress years ago to eliminate the artificial incentives to invest in rental property and now real property decisions are made on the basis of good business judgment; (2) the banks got burned during the RTC crisis for making too many bad loans on real estate and are unwilling to lend money on speculative ventures; and (3) without the tax incentive or the speculative money being available, the growth of vacant space through new development has been curtailed and occupancy levels remain reasonably stable in most markets.

Notwithstanding these important facts, the general downturn in the economy and reduction of the wealth effect through the stock market decline we believe will result in more product coming to the market for sale in the commercial real estate market. If these expectations come true, we anticipate finding an acquisition over the next year. The added incentive of the low interest rates and the availability of permanent financing would make this an ideal time for such a purchase. We will continue working diligently at our primary goal of completely leasing up our existing vacant space to an improved tenant base.

Tavernier Towne Shopping Center

We completed the refinancing of the Tavernier Towne Shopping Center in mid-2000. We were able to obtain a fixed rate loan with ING, the Dutch insurance conglomerate in the sum of \$6,100,000, with an interest rate of 8.05%. This 20-year fixed rate fully liquidating loan helps to ensure the long-term future of the Tavernier Towne Shopping Center. During 2000, we also completed all of our requirements for obtaining a building permit for the planned expansion of the shopping center. We filed suit against Monroe County during 2000 to overturn the building moratorium and on April 19, 2001, settled that case with Monroe County, thereby obtaining our permits for the expansion during April, 2001. Also, at the turn of the new year we were able to complete leasing up the last of our existing space at Tavernier Towne Shopping Center so it became our first property that is 100% occupied. In addition, we are currently in negotiations with Chili's Bar & Grill for a 4,500 square foot expansion between Phase 1 and Phase 2. We have replaced our previous movie theatre tenant with a new operator who recently completed a \$200,000 remodeling of the existing theatres and is ready to move forward with the expanded movie theatre now that we have obtained a new building permit. We also have prospective tenants for our new outparcel, including a fast food chain and our existing tenant, Community Bank. We anticipate concluding a deal with one of these in the next few weeks. Other new tenants include The Bed & Chair Depot and The Carpet Gallery which will greatly add to the variety of services and merchants currently serving patrons of the Tavernier Towne Shopping Center.

Trafalgar Square Shopping Center

Trafalgar Square Shopping Center is also entirely rented with the exception of one 2,000 square foot bay. We were pleased to add Household Finance Corporation to our tenant mix during the prior year, as well as a new day spa called The Sanctuary. The neighborhood surrounding Trafalgar Square Shopping Center has continued to experience phenomenal growth, and we anticipate this area will continue over the next few years to be the highest growth area in all of Palm Beach County. We anticipate that this growth will result in a denser demographic base from which the Trafalgar Square Shopping Center will draw its patrons.

We have also been fortunate to complete our cleanup of our environmental contamination at Trafalgar Square to nearly drinking water standards. The Department of Environmental Protection has agreed to issue us a no further action letter. We anticipate this letter being issued during the year 2001.

Bird Bay Plaza

We entered into a new lease for three vacant spaces totaling 7,800 square feet at the Bird Bay Plaza during the year 2000, with an oriental buffet. The tenant also operates the Oriental Buffet on Bea Ridge Road in Sarasota, which is one of the most popular and busy restaurants in the entire Sarasota market. We anticipate their reputation and good operation to generate a lot of new traffic at the Bird Bay Plaza. We have still not rented our athletic club space and are looking for a prospective tenant which would work closely with the medical community and the hospitals to provide rehabilitative therapy. Considering the age demographic of the Venice market, we feel this would be a great addition to the Bird Bay Plaza.