As filed with the Securities and Exchange Commission on June 17, 2020

File No. __________

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934

BBX Capital Florida LLC
(Exact Name of Registrant as Specified in Its Charter)

Florida	**82-4669146**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida	**33301**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (954) 940-4900

Securities to be registered pursuant to Section 12(b) of the Act:

None

Securities to be registered pursuant to Section 12(g) of the Act:

Class A Common Stock

Class B Common Stock

Preferred Share Purchase Rights

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, anon-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

The Registrant's information statement (the "Information Statement") is filed as Exhibit 99.1 to this Form 10 and is incorporated by reference into this Form 10. The information required by the following Form 10 Registration Statement items is contained in the Information Statement sections that are identified below, each of which is incorporated into this Form 10 by reference. In addition, the information in Exhibit 99.2 to this Form 10 is incorporated by reference into Items 13 and 15 of this Form 10.

Item No.	Caption	Information Statement Section(s) Incorporated into the Item by Reference Where the Information Required by this Item is Contained
Item 1.	Business	"Summary," "Questions and Answers About the Spin-off," "Summary of the Spin-off," "Risk Factors," "The Spin-Off – Relationship Between New BBX Capital and Parent," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations, "Certain Relationships and Related Party Transactions" and "Where You Can Find More Information"
Item 1A.	Risk Factors	"Risk Factors"
Item 2.	Financial Information	"Summary," "Summary Historical and Pro Forma Financial Information," "Selected Historical Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk"
Item 3.	Properties	"Business—Properties"
Item 4.	Security Ownership of Certain Beneficial Owners and Management	"Security Ownership of Certain Beneficial Owners and Management"
Item 5.	Directors and Executive Officers	"Management"
Item 6.	Executive Compensation	"Executive Compensation" and "Director Compensation"
Item 7.	Certain Relationships and Related Transactions, and Director Independence	"Management," "The Spin-Off – Relationship Between New BBX Capital and Parent" and "Certain Relationships and Related Party Transactions"
Item 8.	Legal Proceedings	"Business—Legal Proceedings"
Item 9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters	"Summary," "Questions and Answers About the Spin-off," "Summary of the Spin-off," "Risk Factors," "The Spin-off," "Dividend Policy," "Executive Compensation" and "Description of Capital Stock"
Item 10.	Recent Sales of Unregistered Securities	"Description of Capital Stock"
Item 11.	Description of Registrant's Securities to be Registered	"Description of Capital Stock"
Item 12.	Indemnification of Directors and Officers	"Description of Capital Stock—Limitation on Liability and Indemnification of Directors and Officers"
Item 13.	Financial Statements and Supplementary Data	"Unaudited Pro Forma Financial Statements" and "Index to Combined Carve-Out Financial Statements" (and the financial statements referenced therein)
Item 14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	None
Item 15.	Financial Statements and Exhibits	
	(a) Financial Statements	"Index to Combined Carve-Out Financial Statements" (and the financial statements referenced therein)
	(b) Exhibits	See exhibits listed below

The following documents are filed as exhibits hereto, unless otherwise indicated:

Exhibit Number	Description of Exhibit
2.1	Form of Separation and Distribution Agreement by and among BBX Capital Corporation and the Registrant
3.1	Form of Amended and Restated Articles of Incorporation of the Registrant
3.2	Form of Amended and Restated Bylaws of the Registrant
4.1	Form of Rights Agreement between the Registrant and the Rights Agent†
4.2	Specimen Class A Common Stock Certificate*
4.3	Specimen Class B Common Stock Certificate*
10.1	Form of Registrant's 2020 Incentive Plan†
10.2	Form of Tax Matters Agreement by and among BBX Capital Corporation and the Registrant
10.3	Form of Employee Matters Agreement by and among BBX Capital Corporation and the Registrant
10.4	Form of Transition Services Agreement by and among BBX Capital Corporation and the Registrant
10.5	Form of Promissory Note made by BBX Capital Corporation in favor of the Registrant†
10.6	Form of Employment Agreement between the Registrant and Alan B. Levan†
10.7	Form of Employment Agreement between the Registrant and John E. Abdo†
10.8	Form of Employment Agreement between the Registrant and Jarett S. Levan†
10.9	Form of Employment Agreement between the Registrant and Seth M. Wise†
10.10	Form of Employment Agreement between the Registrant and Raymond S. Lopez†
10.11	Loan and Security Agreement by and among BBX Capital Corporation, the Registrant, BBX Sweet Holdings, LLC, Food for Thought Restaurant Group-Florida, LLC, and Woodbridge Holdings Corporation, as borrowers, and Iberiabank, as administrative agent and lender, dated March 6, 2018 (incorporated by reference to Exhibit 10.66 of BBX Capital Corporation's Annual Report on Form 10-K for the year ended December 31, 2017 filed on March 9, 2018 (File No. 001-09071))
10.12	Loan Extension and Modification Agreement by and among the Registrant, BBX Capital Corporation, BBX Sweet Holdings, LLC, Food for Thought Restaurant Group-Florida, LLC, and Woodbridge Holdings Corporation, as borrowers, and Iberiabank, as administrative agent and lender, dated July 17, 2019 (incorporated by reference to Exhibit 10.1 of BBX Capital Corporation's Current Report on Form 8-K filed on July 19, 2019 (File No. 001-09071))
21.1	List of subsidiaries of the Registrant (after giving effect to the spin-off)
99.1	Preliminary Information Statement, subject to completion, dated June 17, 2020
99.2	Consolidated Financial Statements of Hialeah Communities, LLC and Subsidiary for the Years Ended December 31, 2017 and 2016

* Shares of the Registrant's Class A Common Stock and Class B Common Stock are expected to be in uncertificated form, unless otherwise required by applicable law or otherwise determined by the Registrant's Board of Directors. Therefore, no specimen common stock certificates are being filed.

† To be filed by amendment.

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

BBX Capital Florida LLC

By: /s/ Raymond S. Lopez
Name: Raymond S. Lopez
Title: Chief Financial Officer

Dated: June 17, 2020

SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT, dated as of ________, 2020 (this "Agreement"), is entered into by and among BBX Capital Corporation, a Florida corporation ("Parent"), and BBX Capital Florida LLC, a Florida limited liability company and wholly-owned subsidiary of Parent ("New BBX Capital"). Each of the foregoing parties is referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Board of Directors of Parent has determined that it is advisable and in the best interests of Parent and its shareholders that New BBX Capital, which is currently a wholly owned subsidiary of Parent and holds (or in accordance with the terms hereof will hold) the subsidiaries and investments which comprise or operate the New BBX Capital Business, be converted into a Florida corporation and become a separate, public company through the spin-off of New BBX Capital, with Parent retaining the Bluegreen Business and continuing as a public company and "pure play" Bluegreen holding company;

WHEREAS, in furtherance of the foregoing, on the terms and subject to the conditions contained herein, the Assets and Liabilities of the Bluegreen Business shall be separated from those of the New BBX Capital Business (the "Separation") and thereafter Parent shall distribute 100% of the issued and outstanding shares of New BBX Capital Common Stock pro rata to holders of Parent Common Stock as of the Record Date (the "Distribution" and, collectively with the Separation, the "Spin-Off"), all as more fully described in this Agreement;

WHEREAS, the Parties intend in this Agreement to set forth the principal corporate transactions required to effect the Spin-Off and certain other agreements governing various matters relating thereto and the relationship of Parent and New BBX Capital following the Spin-Off; and

WHEREAS, the Parties acknowledge that this Agreement and the Ancillary Agreements represent the integrated agreement of the Parties relating to the Spin-Off, are entered into simultaneously, and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in this Article I.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. For purposes of this definition and the definitions of "Parent Group" and "New BBX Capital Group", the term "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by Contract or otherwise. It is expressly agreed that, for purposes of this Agreement and the other Ancillary Agreements, no member of the New BBX Capital Group shall be deemed to be an Affiliate of any member of the Parent Group, and no member of the Parent Group shall be deemed to be an Affiliate of any member of the New BBX Capital Group.

"Agent" means the Distribution Agent engaged by Parent with respect to the Distribution in accordance with the terms hereof.

"Ancillary Agreements" means the Employee Matters Agreement, the Tax Matters Agreement, the Transition Services Agreement, the Promissory Note, and any other instruments, assignments, documents and agreements executed in connection with the implementation of the transactions contemplated by this Agreement, including any lease or sublease of office space between Parent and New BBX Capital as described in the Information Statement, in each case, including all annexes, exhibits, schedules, attachments and appendices thereto.

"Assets" means all assets, properties, claims and rights (including goodwill) of any kind, nature and description, whether real, personal or mixed, tangible or intangible, whether accrued, contingent or otherwise, and wherever situated and whether or not recorded or reflected, or required to be recorded or reflected, on the books of any Person.

"Bluegreen" means Bluegreen Vacations Corporation, a Florida corporation.

"Bluegreen Business" means Parent's ownership interest in Woodbridge and its Subsidiaries, including Bluegreen and its Subsidiaries, and the respective businesses and investments thereof.

"Business Day" means each day that is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is required to be closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consent" means any consent, approval, order or authorization of, filing or registration with, or notification to, any Person.

"Contract" means any written contract, subcontract, instrument, warranty, option, note, bond, mortgage, indenture, lease, license, sublicense, sales or purchase order or other legally binding obligation, commitment, agreement, arrangement or understanding, in each case, as amended and supplemented from time to time.

"Distribution Date" means the date on which the Distribution of New BBX Capital Common Stock to Record Holders is effected pursuant to the terms of this Agreement, as determined by Parent's Board of Directors.

"Employee Matters Agreement" means the Employee Matters Agreement dated as of the date hereof, by and between Parent and New BBX Capital.

"Environmental Law" means any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, or protection of human health, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Environmental Liabilities" means all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or Contract relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Force Majeure" means, with respect to a Party, an event beyond the control of such Party (or any Person acting on such Party's behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on such Party's behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or any Person acting on such Party's behalf), or, if it would reasonably have been foreseen, was unavoidable, and includes, without limitation, acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, hurricanes, tropical storms, floods, other unusually severe weather conditions, public health crises or pandemics (whether regional, national or international), labor problems or unavailability of parts, or, in the case of computer systems, any failure in electrical equipment.

"GAAP" means generally accepted accounting principles in the United States, applied on a consistent basis.

"Governmental Authority" means any government, governmental or quasi-governmental authority, or any regulatory entity or body, department, commission, board, agency, instrumentality, taxing authority, political subdivision, bureau, and any court, tribunal, or judicial body, in each case, whether supranational, national, federal, state, municipal, county or provincial, and whether local or foreign.

"Group" means the Parent Group or the New BBX Capital Group, as the context requires.

"Group Entities" means the members of the Parent Group or the New BBX Capital Group, as the context requires.

"Hazardous Materials" means any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Indebtedness" means any of the following Liabilities or obligations, with respect to any Group: (i) indebtedness for borrowed money (including any principal, premium, accrued and unpaid interest, related expenses, prepayment penalties, commitment and other fees); (ii) Liabilities evidenced by bonds, debentures, notes, or other debt securities; (iii) Liabilities evidencing amounts drawn on letters of credit or banker's acceptances or similar items; (iv) Liabilities related to the deferred purchase price of property or services (including any seller notes or earn out obligations) other than those trade payables incurred in the ordinary course of business; (v) Liabilities arising from overdrafts; (vi) Liabilities pursuant to capitalized leases that should be, in accordance with GAAP, recorded as capital leases; (vii) Liabilities pursuant to conditional sale or other title retention agreements; (viii) Liabilities arising out of interest rate and currency swap arrangements and any other arrangements designed to provide protection against fluctuations in interest or currency rates; and (ix) indebtedness of others guaranteed by such Group, or any member thereof, or secured by any lien or encumbrance on the assets of such Group or any member thereof.

"Information" means information, including books and records, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Information Statement" means the information statement forming a part of the Parent Proxy Statement and New BBX Capital Registration Statement.

"Insurance Proceeds" means those monies: (a) received by an insured from any insurance carrier or program; (b) paid by any insurance carrier on behalf of an insured or program; or (c) received (including by way of set-off) from any Third Party in the nature of insurance, contribution or indemnification in respect of any Liability, in each case, net of any deductible or retention amount or any other Third-Party costs or expenses incurred by the Indemnitor in obtaining such recovery, including any increased insurance premiums.

“Intellectual Property” means all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, registrations and related rights, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (f) intellectual property rights arising from or in respect of any Technology.

“Intercompany Agreements” means Contracts (other than the Ancillary Agreements) between or among any New BBX Capital Entity, on the one hand, and any Parent Entity, on the other hand.

“Law” shall mean any and all applicable federal, state, local, municipal, foreign or other law, statute, constitution, ordinance, code, regulation, ruling or other legal requirement enacted, adopted, implemented or otherwise in effect by or under the authority of any Governmental Authority.

“Legal Proceeding” means any claim, action, charge, lawsuit, litigation, arbitration, hearing or proceeding that has been made public or of which written notice has been received, administrative enforcement proceeding or other similarly formal legal proceeding (including civil, criminal, administrative or appellate proceeding) commenced, brought, conducted or heard by or pending before any Governmental Authority, arbitrator, mediator or other tribunal.

“Liabilities” means any and all debts, obligations and other liabilities, including all contractual obligations, whether absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any pending, threatened or contemplated Legal Proceeding (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys’ fees and any and all costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any such pending, threatened or contemplated Legal Proceeding), any Law, order or consent decree of any Governmental Authority or any award of any arbitrator of any kind, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

“New BBX Capital Assets” means, to the extent not then owned by New BBX Capital, all interests in the New BBX Capital Subsidiaries immediately prior to the Distribution (after giving effect to the Separation) and:

(a) (i) all Assets included or reflected as assets of New BBX Capital or the members of the New BBX Capital Group on the New BBX Capital Balance Sheet; and (ii) all Assets acquired by any member of the New BBX Capital Group subsequent to the date of the New BBX Capital Balance Sheet that are of a nature or type that would have resulted in such Assets being included or reflected as assets of New BBX Capital or the members of the New BBX Capital Group on a pro forma consolidated balance sheet of New BBX Capital, including the notes thereto, were such balance sheet and notes prepared on a basis consistent with the determination of the Assets included on the New BBX Capital Balance Sheet, in each case, after taking into account any dispositions of any such Assets subsequent to the date of the New BBX Capital Balance Sheet or such acquisition, as the case may be;

(b) all New BBX Capital Real Property and all rights and interests of New BBX Capital or the members of the New BBX Capital Group thereunder;

(c) all New BBX Capital Contracts and all rights and interests of New BBX Capital or the members of the New BBX Capital Group thereunder;

(d) all New BBX Capital Intellectual Property, New BBX Capital Software and New BBX Capital Technology and all rights and interests of New BBX Capital or the members of the New BBX Capital Group thereunder;

(e) all New BBX Capital Permits, and all rights and interests of New BBX Capital or the members of the New BBX Capital Group thereunder;

(f) subject to the provisions herein and the provisions of the applicable Ancillary Agreements, all rights and interests of either Party or any of the members of such Party's Group with respect to Information that is primarily related to the New BBX Capital Assets, the New BBX Capital Liabilities, the New BBX Capital Business or the New BBX Capital Subsidiaries (after giving effect to the Separation);

(g) Subject to Section 6.5, (i) all business and employment records exclusively related to New BBX Capital Business, including the corporate minute books and related stock records of the members of the New BBX Capital Group, (ii) all of the separate financial and Tax records of the members of the New BBX Capital Group that do not form part of the general ledger of Parent or any of its Affiliates (other than the members of the New BBX Capital Group), and (iii) all other books, records, ledgers, files, documents, correspondence, lists, plats, drawings, photographs, product literature (including historical), advertising and promotional materials, distribution lists, customer lists, supplier lists, studies, reports, market and market share data owned by Parent, operating, production and other manuals, manufacturing and quality control records and procedures, research and development files, and accounting and business books, records, files, documentation and materials, in all cases whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form, that are exclusively related to the New BBX Capital Business (collectively, the "New BBX Capital Books and Records"); provided, however, that (x) none of clauses (i), (ii) or (iii) will include Intellectual Property in any such records, writings or other materials (which is the subject of clause (e), above), (y) Parent will be entitled to retain a copy of the New BBX Capital Books and Records, which will be subject to the provisions hereof regarding confidentiality and (z) neither clause (i) nor (iii) will be deemed to include any books, records or other items or portions thereof (1) with respect to which it is not reasonably practicable to identify and extract the portion thereof exclusively related to New BBX Capital Business, (2) that are subject to restrictions on transfer pursuant to applicable Laws regarding personally identifiable information or Parent's privacy policies regarding personally identifiable information or with respect to which transfer would require any Consent of any Governmental Authority under applicable Law, (3) that relate to performance ratings or assessments of employees of Parent and its Affiliates (including performance history, reports prepared in connection with bonus plan participation and related data (other than individual bonus opportunities based on target bonus as a percentage of base salary)), unless such records are required to be transferred to New BBX Capital under applicable Law, or (4) that relate to any employees that are not to be employees of any member of the New BBX Capital Group following the Spin-Off;

(h) the benefits of all prepaid expenses (other than allocated expenses), including prepaid leases and prepaid rentals, in each case, arising exclusively out of the operation or conduct of the New BBX Capital Business;

(i) the right to enforce the provisions of any confidentiality, non-disclosure, non-competition, non-disparagement or other similar Contracts or covenants to the extent related to the New BBX Capital Business or confidential information relating thereto, and rights to enforce the Intellectual Property assignment provisions of any invention assignment or similar Contract to the extent related to the development of New BBX Capital Intellectual Property;

(j) all rights of the New BBX Capital Group under this Agreement and the any Ancillary Agreements and the certificates, instruments and other documents delivered in connection herewith or therewith; and

(k) the office equipment, trade fixtures and furnishings and other Assets set forth in Schedule 1.1(a) hereto.

For the avoidance of doubt, the New BBX Capital Assets shall not include the Parent Assets or any items expressly governed by the Tax Matters Agreement.

"New BBX Capital Balance Sheet" means the pro forma consolidated balance sheet of New BBX Capital, including the notes thereto, set forth in Schedule 1.2(a) hereto, which has been prepared as of the same date as, and on a consistent basis with, the Parent Balance Sheet, and gives effect to the Spin-Off.

"New BBX Capital Business" means, other than the Bluegreen Business, all of Parent's investments and Subsidiaries and the businesses thereof.

"New BBX Capital Class A Common Stock" means the Class A Common Stock, par value $0.01 per share, of New BBX Capital.

"New BBX Capital Class B Common Stock" means the Class B Common Stock, par value $0.01 per share, of New BBX Capital.

"New BBX Capital Common Stock" means, collectively, the New BBX Capital Class A Common Stock and New BBX Capital Class B Common Stock.

"New BBX Capital Contracts" means all Contracts to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound as of the Effective Time that relate exclusively to the New BBX Capital Business, including the following: (a) any customer, distribution, supply or vendor contract or agreement relating exclusively to the New BBX Capital Business; (b) any Real Property Lease that relates primarily to the New BBX Capital Business; (c) any lease (including any capital lease), agreement to lease, option to lease, license, right to use, installment or conditional sale agreement pertaining to the leasing or use of any equipment or other tangible property that relates exclusively to the New BBX Capital Business; (d) any Contract licensing or otherwise granting rights to Intellectual Property that relates exclusively to the New BBX Capital Business. In addition, any Contract in the nature of a guarantee, indemnity or other Liability of either Party or any member of its Group in respect of any other New BBX Capital Contract, any New BBX Capital Liability or the New BBX Capital Business shall be deemed a "New BBX Capital Contract." Notwithstanding the foregoing, "New BBX Capital Contracts" shall not include any Contract that is contemplated to be retained by Parent or any member of the Parent Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement.

"New BBX Capital Entities" means the members of the New BBX Capital Group.

"New BBX Capital Group" means New BBX Capital and the New BBX Capital Subsidiaries.

"New BBX Capital Indemnitees" means each New BBX Capital Entity, its Affiliates, and all Persons who are or have been shareholders, directors, partners, managers, members, officers, agents or employees of a New BBX Capital Entity or any of its Affiliates (in each case, in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns.

"New BBX Capital Intellectual Property" means all Intellectual Property owned or used by New BBX Capital or any member of the New BBX Capital Group as of the Effective Time in connection with the New BBX Capital Business.

"New BBX Capital Liabilities" means:

(a) all Liabilities related primarily to the New BBX Capital Business, including the Liabilities (including Indebtedness) included or reflected as liabilities or obligations of New BBX Capital or the members of the New BBX Capital Group on the New BBX Capital Balance Sheet;

(b) all Liabilities that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of New BBX Capital or the members of the New BBX Capital Group on a pro forma consolidated balance sheet of New BBX Capital, including the notes thereto, were such balance sheet and notes prepared on a basis consistent with the determination of the Liabilities included on the New BBX Capital Balance Sheet, in each case, subject to any subsequent discharge of such Liabilities; it being understood for purposes of clause (a) above and this clause (b) that (i) the New BBX Capital Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in this definition of New BBX Capital Liabilities; and (ii) the amounts set forth on the New BBX Capital Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in this definition of New BBX Capital Liabilities;

(c) all Liabilities, including Environmental Liabilities, relating to, arising out of or resulting from the actions, inactions, events, conduct, omissions, conditions, occurrences, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case, to the extent that such Liabilities relate to, arise out of or result from the New BBX Capital Business or any New BBX Capital Asset, including, without limitation, the New BBX Capital Real Property, the New BBX Capital Contracts, the New BBX Capital Intellectual Property, the New BBX Capital Software, the New BBX Capital Technology, and the New BBX Capital Permits;

(d) all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed by New BBX Capital or any other member of the New BBX Capital Group, and all agreements, obligations and Liabilities of any member of the New BBX Capital Group under this Agreement or any of the Ancillary Agreements and the certificates, instruments and other documents delivered in connection herewith or therewith;

(e) all Liabilities arising out of claims made by any Third Party (including the respective directors, officers, shareholders, employees and agents of Parent and New BBX Capital) against any member of the Parent Group or the New BBX Capital Group to the extent relating to, arising out of or resulting from the New BBX Capital Business or the or the other Liabilities referred to in clauses (a) through (d) above; and

(f) all other Liabilities set forth in Schedule 1.1(b) hereto.

For the avoidance of doubt, the New BBX Capital Liabilities shall not include the Parent Liabilities or any items expressly governed by the Tax Matters Agreement.

"New BBX Capital Permits" means all Permits held by New BBX Capital or any member of the New BBX Capital Group as of the Effective Time in connection with the New BBX Capital Business.

"New BBX Capital Real Property" means the real property owned by New BBX Capital or any member of the New BBX Capital Group, together with all buildings, improvements and structures thereon, and any real property leased by New BBX Capital or any member of the New BBX Capital Group (and any other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interests in real property held by New BBX Capital or any member of the New BBX Capital Group), in each case, as of the Effective Time.

"New BBX Capital Software" means all Software owned or used by New BBX Capital or any member of the New BBX Capital Group as of the Effective Time in connection with the New BBX Capital Business.

"New BBX Capital Subsidiaries" means all direct and indirect Subsidiaries of New BBX Capital, after giving effect to the Separation, including, but not limited to, BBX Capital Real Estate, LLC, BBX Sweet Holdings, LLC and Renin Holdings, LLC. For the avoidance of doubt, no Parent Entity shall be a "New BBX Capital Subsidiary."

"New BBX Capital Technology" means all Technology owned or used by New BBX Capital or any member of the New BBX Capital Group as of the Effective Time in connection with the New BBX Capital Business.

"OTC Markets" means the OTC Markets Group Inc. and the over-the-counter stock markets run by such entity.

"Parent Assets" means:

(a) all interests in Woodbridge and its Subsidiaries, including Bluegreen and its Subsidiaries;

(b) (i) all Assets included or reflected as assets of Parent or the members of the Parent Group on the Parent Balance Sheet; and (ii) all Assets acquired by any member of the Parent Group subsequent to the date of the Parent Balance Sheet that are of a nature or type that would have resulted in such Assets being included or reflected as assets of Parent or the members of the Parent Group on a pro forma consolidated balance sheet of the Parent Group, including the notes thereto, were such balance sheet and notes prepared on a basis consistent with the determination of the Assets included on the Parent Balance Sheet, in each case, after taking into account any dispositions of any such Assets subsequent to the date of the New BBX Capital Balance Sheet or such acquisition, as the case may be;

(c) other than New BBX Capital Assets, all other Assets, including, without limitation, real property, Contracts, Intellectual Property, Software, Technology, Permits and Information, which are owned, held, used or leased by either Party or any member of its Group or to which either Party or any member of its Group is a party or by which either Party or any member of its Group or any of their respective Assets is bound other than New BBX Capital Assets and, in each case, all rights and interests thereunder;

(d) all rights of the Parent Group under this Agreement and the any Ancillary Agreements and the certificates, instruments and other documents delivered in connection herewith or therewith.

For the avoidance of doubt, the Parent Assets shall include all assets of or relating to any Parent Benefit Plan, except to the extent expressly transferred under the Employee Matters Agreement (including to the New BBX Capital Entities), but shall not include the New BBX Capital Assets or any items expressly governed by the Tax Matters Agreement.

"Parent Balance Sheet" means the pro forma consolidated balance sheet of Parent, including the notes thereto, set forth in Schedule 1.2(b) hereto, which has been prepared as of the same date as, and on a consistent basis with, the New BBX Capital Balance Sheet, and gives effect to the Spin-Off.

"Parent Benefit Plan" has the meaning set forth in the Employee Matters Agreement.

"Parent Class A Common Stock" means the Class A Common Stock, par value $0.01 per share, of Parent.

"Parent Class B Common Stock" means the Class B Common Stock, par value $0.01 per share, of Parent.

"Parent Common Stock" means, collectively, the Parent Class A Common Stock and Parent Class B Common Stock.

"Parent Entities" means the members of the Parent Group.

"Parent Group" means Parent and Woodbridge and its direct and indirect Subsidiaries, including Bluegreen and its direct and indirect Subsidiaries.

"Parent Indemnitees" means each Parent Entity, its Affiliates, and all Persons who are or have been shareholders, directors, partners, managers, members, officers, agents or employees of a Parent Entity or any of its Affiliates (in each case, in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns.

"Parent Liabilities" means:

(a) all Liabilities, including the trust preferred securities of Woodbridge and Indebtedness of Bluegreen and its Subsidiaries, reflected as Liabilities of Parent and the other Parent Entities on the Parent Balance Sheet;

(b) all Liabilities that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of Parent or the members of the Parent Group on a pro forma consolidated balance sheet of Parent, including the notes thereto, were such balance sheet and notes prepared on a basis consistent with the determination of the Liabilities included on the Parent Balance Sheet, in each case, subject to any subsequent discharge of such Liabilities; it being understood for purposes of clause (a) above and this clause (b) that (i) the Parent Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in this definition of Parent Liabilities; and (ii) the amounts set forth on the Parent Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in this definition of Parent Liabilities;

(c) all Liabilities arising out of claims made by any Third Party (including the respective directors, officers, shareholders, employees and agents of Parent and New BBX Capital) against any member of the Parent Group or the New BBX Capital Group to the extent relating to, arising out of or resulting from the Bluegreen Business or the Bluegreen Assets;

(d) all Liabilities related to any Transaction Litigation, including with respect to directors and officers of Parent related thereto;

(e) all Liabilities of Parent and its Subsidiaries arising from or relating the businesses and operations (whether or not such businesses or operations are or have been terminated, divested or discontinued) conducted prior to the Effective Time by Parent and its Subsidiaries (other than any New BBX Capital Liabilities).

For the avoidance of doubt, the New BBX Capital Liabilities shall not include the Parent Liabilities or any items expressly governed by the Tax Matters Agreement.

"Parent Restricted Shares" means unvested shares of Parent Common Stock subject to restricted stock award agreements previously granted by Parent or any Subsidiary of Parent under Parent's 2014 Amended and Restated Incentive Plan, as amended, or any other equity compensation plan or agreement, and not expired, terminated or forfeited as of the Record Date.

"Permits" means permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

"Person" means any individual, corporation (including any non-profit corporation), limited liability company, joint stock company, general partnership, limited partnership, limited liability partnership, estate, trust, firm, Governmental Authority or other enterprise, association, organization, entity or "group" (as defined in Section 13(d)(3) of the Exchange Act).

"Promissory Note" means the promissory note in the principal amount of $75 million dated as of the date hereof to be made by Parent in favor of New BBX Capital.

"Record Date" means the close of business on the date to be determined by Parent's Board of Directors as the record date for determining shareholders of Parent entitled to receive shares of New BBX Capital Common Stock in the Distribution.

"Real Property Leases" means the real property leases, subleases, licenses or other agreements, including all amendments, modifications, supplements, extensions, renewals, guaranties or other agreements with respect thereto, pursuant to which either Party or any of the members of its Group as of the Effective Time is a party.

"Record Holders" means the holders of record of Parent Common Stock on the Record Date.

"Release" means any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including, ambient air, surface water, groundwater and surface or subsurface strata).

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Software" means any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form; (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise; (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing; (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Subsidiary" of any Person means (a) a corporation more than 50% of the combined voting power of the outstanding voting stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or by such Person and one or more other Subsidiaries of such Person; (b) a partnership of which such Person or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, is the general partner and has the power to direct the policies, management and affairs of such partnership; (c) a limited liability company of which such Person or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries of such Person, directly or indirectly, is the manager or managing member (or has the right to appoint the sole manager or managing member, or a majority of the managers or managing members of such company) and has the power to direct the policies, management and affairs of such company; or (d) any other Person (other than a corporation, partnership or limited liability company) in which such Person or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries of such Person, directly or indirectly, has at least a majority ownership and the power to direct the policies, management and affairs thereof.

"Tax" or "Taxes" has the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement dated as of the date hereof by and between Parent and New BBX Capital.

"Tax Return" has the meaning set forth in the Tax Matters Agreement.

"Technology" means all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas,know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or nonpublic information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

"Third Party" means any Person other than the Parties or any members of their respective Groups.

"Transaction Litigation" means any Legal Proceeding commenced or threatened against Parent or any of its Subsidiaries or Affiliates, or otherwise relating to, involving or affecting Parent or any of its Subsidiaries or Affiliates, in each case, in connection with, arising from or otherwise relating to the Spin-Off or any other transaction contemplated by this Agreement or the Ancillary Agreements, including any Legal Proceeding alleging or asserting any misrepresentation or omission in the Parent Proxy Statement or the New BBX Capital Registration Statement (in each case, including the Information Statement forming a part thereof).

"Transition Services Agreement" means the Transition Services Agreement dated as of the date hereof by and between Parent and New BBX Capital.

"Woodbridge" means Woodbridge Holdings Corporation, a Florida corporation and wholly owned subsidiary of Parent through which Parent holds its indirect ownership interest in Bluegreen.

OTHER TERMS DEFINED IN THIS AGREEMENT

Agreement	Preamble
Effective Time	Section 3.1
CEO Notice	Section 6.18
Convey	Section 2.1(a)
Dispute	Section 6.18
Distribution	Recitals
D&O Insurance	Section 6.12(c)
Guarantee	Section 5.11
Indemnified Persons	Section 6.12(a)
Indemnitee	Section 5.4(a)
Indemnitor	Section 5.4(a)
Indemnity Payment	Section 5.4(a)
Initial Notice	Section 6.18
New BBX Capital	Preamble
New BBX Capital Confidential Information	Section 6.10(a)
New BBX Capital Group Employees	Section 6.11(b)
New BBX Capital Registration Statement	Section 4.2(e)
New BBX Capital Released Persons	Section 5.1(b)
Omitted Services	Section 6.13
Parent	Preamble
Parent Confidential Information	Section 6.10(b)
Parent Group Employees	Section 6.11(a)
Parent Proxy Statement	Section 4.2(d)
Parent Released Persons	Section 5.1(a)
Pre-Spin-Off Insurance Claims	Section 6.9(b)
Pre-Spin-Off Insurance Policies	Section 6.9(a)
Representatives	Section 6.10(a)
Separation	Recitals
Service Provider	Section 6.13
Service Recipient	Section 6.13
Spin-Off	Recitals
Third-Party Claim	Section 5.5(a)
Third-Party Proceeds	Section 5.4(a)

ARTICLE II
THE SEPARATION

Section 2.1 Separation. Except as provided in Section 2.2(b) and subject to the terms and conditions of this Agreement, including the conditions set forth in Article IV (other than the consummation of the Separation and any other conditions to be satisfied following the Separation), to the extent not previously effected, effective as of the Effective Time (but, for the avoidance of doubt, prior to the Distribution), the Parties shall take or cause to be taken the actions described in this Section 2.1.

(a) New BBX Capital shall be converted into a Florida corporation. Parent will assign, transfer, convey and deliver ('Convey") (or will cause any applicable Subsidiary of Parent to Convey) to New BBX Capital, or a New BBX Capital Entity, and New BBX Capital will accept, or cause the applicable New BBX Capital Entity to accept, from Parent, or the applicable Subsidiary of Parent, all of Parent's and its applicable Subsidiaries' respective right, title and interest in and to all New BBX Capital Assets (other than any New BBX Capital Assets that are already held as of the immediately prior to the Effective Time by New BBX Capital or a New BBX Capital Entity, which New BBX Capital Asset will continue to be held by New BBX Capital or such New BBX Capital Entity).

(b) New BBX Capital or any applicable New BBX Capital Entity will assume all of the New BBX Capital Liabilities (other than any New BBX Capital Liability that as of immediately prior to the Effective Time is already a Liability of New BBX Capital or a New BBX Capital Entity, which will continue to be a Liability of New BBX Capital or such New BBX Capital Entity).

(c) Parent will contribute to New BBX Capital an amount of cash equal to the total amount of cash and cash equivalents of Parent as of the close of business on the Business Day immediately preceding the Effective Time, other than (i) cash and cash equivalents held at Bluegreen, (ii) any cash attributable to any special dividend paid by Bluegreen prior to or in connection with the Spin-Off (as described in the New BBX Capital Registration Statement), and (iii) $25 million to be retained by Parent.

(d) To the extent applicable, (i) New BBX Capital or any applicable New BBX Capital Entity will Convey to Parent or a Subsidiary of Parent, and Parent or its applicable Subsidiary will accept from New BBX Capital or the applicable New BBX Capital Entity, all right, title and interest in and to any and all Parent Assets (other than any Parent Assets that are already held as of immediately prior to the Effective Time by Parent or a Parent Entity, which Parent Asset will continue to be held by Parent or such Parent Entity) and (ii) Parent or a Subsidiary of Parent will assume all of the Parent Liabilities (other than any Parent Liability that as of immediately prior to the Effective Time is already a Liability of Parent or a Parent Entity, which will continue to be a Liability of Parent or such Parent Entity).

(e) The Parties shall, to the extent applicable, execute and deliver, or cause the execution and delivery of, such bills of sale, quitclaim deeds, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment and take such other actions as are necessary to (i) Convey to the appropriate member of the Parent Group or New BBX Capital Group, as applicable, all of the right, title and interest to the Assets Conveyed to it hereunder or under any Ancillary Agreement and (ii) cause the appropriate member of the Parent Group or New BBX Capital Group, as applicable, to assume all of the Liabilities assumed by it hereunder or under any Ancillary Agreement, in each case, in form and substance reasonably acceptable to each Party.

(f) In the event that at any time or from time to time (whether prior to, at or after the Effective Time), any member of the Parent Group or the New BBX Capital Group, respectively, is the owner of, receives or otherwise comes to possess any Asset or Liability that is allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement, the applicable Person shall promptly Convey such Asset or Liability to the Person so entitled thereto or responsible therefor, and such Person shall accept and assume the same, as applicable. Prior to any such Conveyance, such Asset or Liability shall be held in accordance with Section 2.2(b);

(g) Each Party hereby waives compliance by the other Party and every member of the other Party's Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the Conveyance of any or all of Assets hereunder.

Section 2.2 Consents.

(a) To the extent that the consummation of the Spin-Off requires any Consents from any third parties (including any Governmental Authorities), each Party shall use its reasonable best efforts to obtain promptly such Consents; provided, that with respect to Consents from third parties (other than Governmental Authorities) required under existing Contracts, such efforts shall not include any requirement or obligation to make any payment to any such Third Party or assume any Liability not otherwise required to be paid or assumed by the applicable Party pursuant to the terms of an existing Contract or offer or grant any financial accommodation or other benefit to such Third Party not otherwise required to be made by the applicable Party pursuant to the terms of an existing Contract. The obligations set forth in this Section 2.2(a) shall terminate on the one (1) year anniversary of the Distribution Date. Notwithstanding anything in this Section 2.2(a) to the contrary, nothing in this Agreement or any Ancillary Agreement shall be construed as an attempt or agreement to Convey any Asset, including any Contract, permit or other right, if an attempted Conveyance thereof, without the Consent of a Third Party (including any Governmental Authority), would constitute a breach under any agreement to which any Parent Entity or any New BBX Capital Entity is a party or any Law or by which any Parent Entity or any New BBX Capital Entity is bound, or would reasonably be expected to have a material adverse effect on the rights, upon transfer or otherwise, of any New BBX Capital Entity under or with respect to such New BBX Capital Asset or any Parent Entity under or with respect to such Parent Asset, as the case may be.

(b) If the Conveyance or assumption (as applicable) of any Asset or Liability intended to be Conveyed or assumed (as applicable) is not consummated prior to or at the Effective Time, whether as a result of the provisions of Section 2.2(a) or for any other reason (including any misallocated Conveyance subject to Section 2.1(d)), then the Spin-Off shall, subject to the satisfaction of the conditions set forth in Article IV, nevertheless take place on the terms set forth herein, and, insofar as reasonably practicable and to the extent permitted by applicable Law, the Person retaining such Asset or Liability (i) shall thereafter hold such Asset or Liability in trust for the use and benefit and/or burden of the Person entitled thereto (and at such Person's sole expense) until the consummation of the Conveyance or assumption (as applicable) thereof (or as otherwise determined by Parent and New BBX Capital, as applicable, in accordance with Section 2.2(a)); and (ii) use reasonable best efforts to take such other actions as may be reasonably requested by the Person to whom such Asset or Liability is to be Conveyed or assumed (as applicable) (at the expense of the Person to whom such Asset or Liability is to be Conveyed or assumed (as applicable)) in order to place such Person in substantially the same position as if such Asset or Liability had been Conveyed or assumed (as applicable) as contemplated hereby and so that all the benefits and/or burdens relating to such Asset or Liability, including possession, use, risk of loss, potential for gain, any Tax liabilities in respect thereof and dominion, control and command over such Asset or Liability, are to inure from and after the Effective Time to the Person to whom such Asset or Liability is to be Conveyed or assumed (as applicable). Any Person retaining any Asset or Liability due to the deferral of the Conveyance or assumption (as applicable) of such Asset or Liability shall not be required, in connection with the foregoing, to make any payments, assume any Liability, or offer or grant any accommodation or other benefit (financial or otherwise) to any Third Party, except to the extent that the Person entitled to the Asset or responsible for the Liability agrees to reimburse and make whole the Person retaining the Asset or Liability to such Person's reasonable satisfaction, for any payment or other accommodation made by the Person retaining the Asset or Liability at the request of the Person entitled to the Asset or responsible for the Liability. The obligations set forth in this Section 2.2(b) shall terminate on the one (1) year anniversary of the Distribution Date.

Section 2.3 Termination of Intercompany Agreements; Settlement of Intercompany Accounts.

(a) Except as set forth in Section 2.3(b) and Section 2.3(c), New BBX Capital, on behalf of itself and each other member of the New BBX Capital Group, on the one hand, and Parent, on behalf of itself and each other member of the Parent Group, on the other hand, shall terminate, effective as of the Effective Time, any and all Intercompany Agreements as to such parties. No such terminated Intercompany Agreement (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time and all parties shall be released from all Liabilities thereunder. Each Party shall, at the reasonable request of any other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing. The Parties, on behalf of the members of their respective Groups, hereby waive any advance notice provision or other termination requirements with respect to such Intercompany Agreements.

(b) The provisions of Section 2.3(a) shall not apply to any Contracts to which any Person other than the Parties and their respective Affiliates is a party or to any non-competition, non-solicitation, non-disparagement or confidentiality agreements or covenants among any Parent Entity, any New BBX Capital Entity and any of their respective employees or by any such employees in favor of any Parent Entity or any New BBX Capital Entity, in each case, including any obligation not to disclose proprietary or privileged information.

(c) Settlement of Intercompany Accounts. Other than Liabilities for payment and/or reimbursement for costs and other fees and charges relating to goods or services provided by any Parent Entity to any New BBX Capital Entity, or vice versa, prior to the Effective Time in the ordinary course of business, and except as otherwise expressly provided in this Agreement or any Ancillary Agreement, all intercompany receivables, payables, loans and other accounts between any Parent Entity, on the one hand, and any New BBX Capital Entity, on the other hand, in existence as of immediately prior to the Effective Time and after giving effect to the Separation shall be extinguished by the applicable Parent Entities and the applicable New BBX Capital Entities no later than the Effective Time by (i) cancellation, forgiveness or release by the applicable obligor or (ii) one or a related series of payments, settlements, netting, distributions of and/or contributions to capital, in each case, as determined by Parent and such that the New BBX Capital Entities, on the one hand, and the Parent Entities, on the other hand, do not have any further Liability to one another in respect of such intercompany receivables, payables, loans and other accounts.

Section 2.4 No Representations and Warranties.

(a) EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN ANY ANCILLARY AGREEMENT, NEW BBX CAPITAL (ON BEHALF OF ITSELF AND MEMBERS OF THE NEW BBX CAPITAL GROUP) ACKNOWLEDGES THAT NEITHER PARENT NOR ANY MEMBER OF THE PARENT GROUP MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY HEREIN AS TO ANY MATTER WHATSOEVER, INCLUDING ANY REPRESENTATION OR WARRANTY WITH RESPECT TO: (A) THE CONDITION OR THE VALUE OF ANY NEW BBX CAPITAL ASSET, THE NEW BBX CAPITAL BUSINESS OR THE AMOUNT OF ANY NEW BBX CAPITAL LIABILITY; (B) THE FREEDOM FROM ANY LIEN ON ANY NEW BBX CAPITAL ASSET; (C) THE ABSENCE OF DEFENSES OR FREEDOM FROM COUNTERCLAIMS WITH RESPECT TO ANY CLAIM TO BE TRANSFERRED TO OR ASSUMED BY NEW BBX CAPITAL OR HELD BY A MEMBER OF THE NEW BBX CAPITAL GROUP; OR (D) ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR TITLE. EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN ANY ANCILLARY AGREEMENT, NEW BBX CAPITAL (ON BEHALF OF ITSELF AND MEMBERS OF THE NEW BBX CAPITAL GROUP) FURTHER ACKNOWLEDGES THAT ALL OTHER WARRANTIES THAT PARENT OR ANY MEMBER OF THE PARENT GROUP GAVE OR MIGHT HAVE GIVEN, OR WHICH MIGHT BE PROVIDED OR IMPLIED BY APPLICABLE LAW OR COMMERCIAL PRACTICE, ARE HEREBY EXPRESSLY EXCLUDED. EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN ANY ANCILLARY AGREEMENT, ALL ASSETS, BUSINESSES AND LIABILITIES TO BE TRANSFERRED TO OR ASSUMED BY NEW BBX CAPITAL SHALL BE TRANSFERRED WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY (WHETHER EXPRESS OR IMPLIED), AND ALL OF THE ASSETS, BUSINESSES AND LIABILITIES HELD BY THE NEW BBX CAPITAL ENTITIES ARE HELD, “AS IS, WHERE IS,” AND, FROM AND AFTER THE EFFECTIVE TIME, NEW BBX CAPITAL SHALL BEAR THE ECONOMIC AND LEGAL RISK THAT ANY SUCH TRANSFER OR ASSUMPTION SHALL PROVE TO BE INSUFFICIENT TO VEST IN NEW BBX CAPITAL GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY LIEN OR ANY NECESSARY CONSENTS THAT ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS ARE NOT COMPLIED WITH (BUT SUBJECT TO COMPLIANCE BY PARENT WITH ITS OBLIGATIONS IN SECTIONS 2.1 AND 2.2). NONE OF THE PARENT ENTITIES OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY INFORMATION, DOCUMENTS OR MATERIAL MADE AVAILABLE IN CONNECTION WITH THE SPIN-OFF, OR EXECUTION, DELIVERY OR FILING OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

(b) EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN ANY ANCILLARY AGREEMENT, PARENT (ON BEHALF OF ITSELF AND MEMBERS OF THE PARENT GROUP) ACKNOWLEDGES THAT NEITHER NEW BBX CAPITAL NOR ANY MEMBER OF THE NEW BBX CAPITAL GROUP MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY HEREIN AS TO ANY MATTER WHATSOEVER, INCLUDING ANY REPRESENTATION OR WARRANTY WITH RESPECT TO: (A) THE CONDITION OR THE VALUE OF ANY PARENT ASSET, THE BLUEGREEN BUSINESS OR THE AMOUNT OF ANY PARENT LIABILITY; (B) THE FREEDOM FROM ANY LIEN ON ANY PARENT ASSET; (C) THE ABSENCE OF DEFENSES OR FREEDOM FROM COUNTERCLAIMS WITH RESPECT TO ANY CLAIM TO BE TRANSFERRED TO OR ASSUMED BY PARENT OR HELD BY A MEMBER OF THE PARENT GROUP; OR (D) ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR TITLE. EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN ANY ANCILLARY AGREEMENT, PARENT (ON BEHALF OF ITSELF AND MEMBERS OF THE PARENT GROUP) FURTHER ACKNOWLEDGES THAT ALL OTHER WARRANTIES THAT NEW BBX CAPITAL OR ANY MEMBER OF THE NEW BBX CAPITAL GROUP GAVE OR MIGHT HAVE GIVEN, OR WHICH MIGHT BE PROVIDED OR IMPLIED BY APPLICABLE LAW OR COMMERCIAL PRACTICE, ARE HEREBY EXPRESSLY EXCLUDED. EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED IN ANY ANCILLARY AGREEMENT, ALL ASSETS, BUSINESSES AND LIABILITIES TO BE TRANSFERRED TO OR ASSUMED BY ANY PARENT ENTITY SHALL BE TRANSFERRED WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY (WHETHER EXPRESS OR IMPLIED), AND ALL OF THE ASSETS, BUSINESSES AND LIABILITIES HELD BY THE PARENT ENTITIES ARE HELD, “AS IS, WHERE IS,” AND, FROM AND AFTER THE EFFECTIVE TIME, THE PARENT ENTITIES SHALL BEAR THE ECONOMIC AND LEGAL RISK THAT ANY SUCH TRANSFER OR ASSUMPTION SHALL PROVE TO BE INSUFFICIENT TO VEST IN PARENT GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY LIEN OR ANY NECESSARY CONSENTS THAT ARE

NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS ARE NOT COMPLIED WITH (BUT SUBJECT TO COMPLIANCE BY NEW BBX CAPITAL WITH ITS OBLIGATIONS IN SECTIONS 2.1 AND 2.2). NONE OF THE NEW BBX CAPITAL ENTITIES OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY INFORMATION, DOCUMENTS OR MATERIAL MADE AVAILABLE IN CONNECTION WITH THE SPIN-OFF, OR EXECUTION, DELIVERY OR FILING OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

ARTICLE III
CLOSING OF THE SEPARATION

Section 3.1 Effective Time. Unless otherwise provided in this Agreement or in any Ancillary Agreement, and subject to the satisfaction or waiver of the conditions set forth in Article IV (other than those conditions that by their terms are to be satisfied at the Effective Time, but subject to the satisfaction or waiver of such conditions), the effective time and date of each Conveyance or assumption (as applicable) of any Asset or Liability in accordance with Article II in connection with the Separation shall be 12:01 a.m., Eastern Time, on the Distribution Date (such time, the "Effective Time").

Section 3.2 Effective Time Deliveries.

(a) Effective as of the Effective Time, Parent shall deliver, or shall cause its applicable Subsidiaries to deliver, to New BBX Capital the following:

(i) in each case where any member of the Parent Group is a party to any Ancillary Agreement to be entered into at the Effective Time, a counterpart of such Ancillary Agreement duly executed by the member of the Parent Group party thereto; and

(ii) all documents of Conveyance and assumption described in Section 2.1.

(b) At the Effective Time, New BBX Capital shall deliver, or shall cause its applicable Subsidiaries to deliver, as appropriate, to Parent the following:

(i) in each case where any member of the New BBX Capital Group is a party to any Ancillary Agreement to be entered into at the Effective Time, a counterpart of such Ancillary Agreement duly executed by the member of the New BBX Capital Group party thereto; and

(ii) all documents of Conveyance and assumption described in Section 2.1.

ARTICLE IV
THE DISTRIBUTION

Section 4.1 Record and Distribution Dates. Parent's Board of Directors, in accordance with applicable Law, shall establish (or designate Persons to establish) the Record Date and the Distribution Date, and Parent shall establish appropriate procedures in connection with, and to effectuate in accordance with applicable Law, the Distribution in accordance with the terms hereof.

Section 4.2 Undertakings Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) Parent shall give the New York Stock Exchange not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act and the rules of the New York Stock Exchange.

(b) The Parties shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of New BBX Capital and Parent shall be those set forth in the final Information Statement, unless otherwise agreed by the Parties; and (ii) except for those individuals who will continue to serve as members of Parent's Board of Directors after the Effective Time, as set forth in the final Information Statement, each member of Parent's Board of Directors as of immediately prior to the Effective Time shall have resigned as a director of Parent by written notice of resignation to Parent, effective as of the Effective Time.

(c) New BBX Capital shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the quotation of the New BBX Capital Class A Common Stock and New BBX Capital Class B Common Stock on the OTC Markets.

(d) Parent shall take such actions as necessary to schedule and convene a meeting of its shareholders to vote on the Spin-Off and Parent's contemplated name change to "Bluegreen Vacations Holdings Corporation," prepare and file with the SEC and mail to its shareholders a proxy statement (the "Parent Proxy Statement") relating to such shareholder meeting and vote on the Spin-Off and the name change, including any necessary or advisable amendments or supplements, and use commercially reasonable best efforts to secure the required shareholder vote to approve the Spin-Off and the name change.

(e) The Parties shall cooperate in (i) preparing and filing with the SEC a Registration Statement on Form 10 registering the New BBX Capital Common Stock distributed in the Distribution (the "New BBX Capital Registration Statement"), including the Information Statement that forms a part thereof, and any amendments or supplements thereto as may be necessary or advisable in order to cause the New BBX Capital Registration Statement to become and remain effective as required by the SEC or federal, state or other applicable securities Laws, (ii) preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements and (iii) preparing and filing with the SEC any other documents which Parent determines are necessary or desirable to effectuate the Distribution. Each Party shall use its commercially reasonable best efforts to obtain all necessary approvals from the SEC with respect to the documents described in this clause (e) as soon as practicable.

(f) The Parties shall take all actions as may be necessary or appropriate under the securities or blue-sky laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(g) Parent shall, as soon as is reasonably practicable after the New BBX Capital Registration Statement is declared effective under the Exchange Act and Parent's Board of Directors has approved the Distribution, cause the Information Statement to be mailed to the Record Holders.

(h) Parent shall enter into a distribution agent agreement (or similar agreement) with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

New BBX Capital shall cooperate with Parent to accomplish the Spin-Off, including in connection with the preparation of all documents and the making of all filings required in connection with the Spin-Off as described in this Section 4.2, including, without limitation, the New BBX Capital Registration Statement. Parent shall be permitted to reasonably direct and control the efforts of the Parties in connection with the Spin-Off (including the selection of the Agent, any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Parent), and New BBX Capital shall use commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all other things reasonably necessary to facilitate the Spin-Off as reasonably directed by Parent in good faith and in accordance with the applicable terms and subject to the conditions of this Agreement and the Ancillary Agreements.

Section 4.3 The Distribution.

(a) Subject to the terms and conditions hereof, including the conditions to the Distribution set forth in Section 4.4, Parent shall effect the Distribution by causing all of the issued and outstanding shares of New BBX Capital Common Stock held by Parent to be distributed pro rata to the Record Holders as described herein. The Distribution, if effected, shall occur on the Distribution Date.

(b) On or prior to the Effective Time, Parent will deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of shares of New BBX Capital Class A Common Stock and Class B Common Stock as is necessary to effect the Distribution, and shall cause the transfer agent for Parent to instruct the Agent to distribute at the Effective Time the appropriate number of shares of New BBX Capital Class A Common Stock and Class B Common Stock to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. The Agent shall mail each Record Holder a book-entry account statement that reflects such Record Holder's New BBX Capital Common Stock. Paper stock certificates will not be issued in respect of the shares of New BBX Capital Common Stock, unless New BBX Capital's Board of Directors deems it necessary to do so.

(c) Each Record Holder will be entitled to receive in the Distribution one (1) share of New BBX Capital Class A Common Stock for every one (1) share of Parent Class A Common Stock held by such Record Holder on the Record Date and one (1) share of New BBX Capital Class B Common Stock for every one (1) share of Parent Class B Common Stock held by such Record Holder on the Record Date.

(d) Any shares of New BBX Capital Class A Common Stock or Class B Common Stock distributed in the Distribution that remain unclaimed by any Record Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to New BBX Capital, and New BBX Capital or its transfer agent shall hold such shares for the account of such Record Holder, and the Parties agree that all obligations to provide such shares shall be obligations of New BBX Capital only, subject in each case to applicable escheat or other abandoned property or similar Laws, and Parent shall have no Liability with respect thereto. Neither Party nor any of their respective Affiliates shall be liable to any Person in respect of any shares of New BBX Capital Common Stock (or dividends or distributions with respect thereto) that are properly delivered to a public official pursuant to any applicable escheat or other abandoned property or similar Laws.

(e) Until the shares of New BBX Capital Class A Common Stock or Class B Common Stock distributed in the Distribution are duly transferred in accordance with this Section 4.2 and applicable Law, from and after the Effective Time, New BBX Capital will regard the Persons entitled to receive such shares as record holders of the shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. Subject to Section 4.2(d), New BBX Capital agrees that, subject to any transfers of such shares, from and after the Effective Time, (i) each such holder will be entitled to receive all dividends, if any, payable on, and exercise voting rights and all other rights and privileges with respect to, the shares then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the shares then held by such holder.

(f) The treatment of Parent Restricted Shares shall be as set forth in the Employee Matters Agreement.

Section 4.4 Conditions to the Spin-Off. The obligations of Parent pursuant to this Agreement to effect the Spin-Off shall be subject to the fulfillment or waiver by Parent with respect to the obligations of Parent and New BBX Capital on or prior to the Distribution Date of the following conditions:

(a) final approval of the Spin-Off shall have been given by Parent's Board of Directors and shall not have been withdrawn, in each case, in the sole and absolute discretion of Parent's Board of Directors; it being understood that, without limiting the generality of the foregoing, Parent's Board of Directors may determine not to approve the Spin-Off or withdraw any prior approval of the Spin-Off at any time prior to its consummation if any events or developments shall have occurred that, in the judgment of Parent's Board of Directors, would result in the consummation of the Spin-Off having, or being reasonably likely to have, a material adverse effect on Parent or its shareholders;

(b) the Spin-Off in the manner contemplated herein shall have been approved by Parent's shareholders as set forth in the Parent Proxy Statement;

(c) the New BBX Capital Registration Statement shall have been declared effective by the SEC, no stop order suspending the effectiveness of the New BBX Capital Registration Statement shall be in effect, and no proceedings for that purpose will be pending before or threatened by the SEC, and the Information Statement forming a part of the New BBX Capital Registration Statement shall have been mailed to all Record Holders;

(d) all necessary permits and authorizations under the Securities Act and the Exchange Act and the securities or "blue sky" Laws of the United States (and any comparable Laws under any foreign jurisdiction) relating to the issuance and trading of shares of New BBX Capital Class A Common Stock and New BBX Capital Class B Common Stock or otherwise in connection with the Spin-Off shall have been obtained and be in effect;

(e) the New BBX Capital Class A Common Stock and Class B Common Stock shall have been approved for listing, trading or quotation on a national securities exchange or on the OTC Markets;

(f) no Governmental Authority having jurisdiction over Parent or New BBX Capital shall have issued or entered any order, and no applicable Law shall have been enacted or promulgated, in each case, that is then in effect and has the effect of permanently restraining, enjoining or otherwise prohibiting the consummation of the Spin-Off;

(g) the Separation shall have been consummated in accordance with this Agreement and the Ancillary Agreements, including that the Ancillary Agreements shall have been duly executed and delivered and shall be in full force and effect, and the Parties shall have performed and complied with all of their respective covenants, obligations and covenants contained herein and therein and as required to be performed or complied with prior to the Distribution; and

(h) New BBX Capital shall have (i) been converted into a Florida corporation and issued to Parent, as the 100% owner of New BBX Capital at the time of the conversion, shares representing 100% of New BBX Capital's outstanding Class A Common Stock and Class B Common Stock, (ii) adopted, caused to be executed and filed with the Florida Department of State the Articles of Incorporation or Amended and Restated Articles of Incorporation of New BBX Capital in the form attached as an exhibit to the New BBX Capital Registration Statement, (iii) if applicable, issued to Parent a number of additional shares of New BBX Capital Class A Common Stock and/or Class B Common Stock as may be required to consummate the Distribution as contemplated herein, and (iv) adopted the Bylaws or Amended and Restated Bylaws of New BBX Capital in the form attached as an exhibit to the New BBX Capital Registration Statement.

The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or its Board of Directors to waive or not waive any such condition. Any determination made by Parent's Board of Directors concerning the satisfaction or waiver of (including, without limitation, whether to waive or not waive) any or all of the conditions set forth in this Section 4.4 shall be conclusive and binding on the Parties. Notwithstanding the foregoing, Parent's Board of Directors may not waive any condition which is required by applicable Law to be satisfied or the shareholder approval requirement set forth in clause (b) of this Section 4.4.

Section 4.5 Parent Discretion. Notwithstanding anything to the contrary contained herein or in any Ancillary Agreement, except as set forth in the Information Statement with respect to prohibited modifications following any approval of the Spin-Off by Parent's shareholders, Parent may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Spin-Off, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. In addition, nothing in this Agreement or in any Ancillary Agreement or otherwise, including any approval of the Spin-Off by Parent's shareholders, shall in any way limit Parent's right to terminate this Agreement and abandon the Spin-Off at any time prior to its consummation or alter the consequences of any such termination from those specified herein.

ARTICLE V
MUTUAL RELEASES; INDEMNIFICATION

Section 5.1 Release of Pre-Effective Time Claims.

(a) New BBX Capital Release. Except as provided in Section 5.1(c) and except with respect to matters subject to indemnification pursuant to Section 5.4, effective as of the Effective Time, New BBX Capital does hereby, for itself and each New BBX Capital Entity and their respective Affiliates, predecessors, successors and assigns, remise, release and forever discharge each Parent Entity, their respective Affiliates, successors and assigns, and all Persons that at any time prior to the Effective Time have been shareholders, members, partners, directors, managers, officers, agents or employees of Parent or any Parent Entity (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (collectively, the "Parent Released Persons"), from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from or relating to any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, whether or not known as of the Effective Time. New BBX Capital, for itself and each New BBX Capital Entity and their respective Affiliates, predecessors, successors and assigns, hereby agrees, represents and warrants that each such releasor realizes and acknowledges that factual matters now unknown to it or them may have given or may hereafter give rise to Liabilities which are presently unknown, unanticipated and unsuspected, and each of them further agree, represent and warrant that this Section 5.1(a) has been negotiated and agreed upon in light of that realization and that it and they each nevertheless hereby intend to release and discharge the Parent Released Persons with regard to such unknown, unanticipated and unsuspected matters.

(b) Parent Release. Except as provided in Section 5.1(c) and except with respect to matters subject to indemnification pursuant to Section 5.4, effective as of the Effective Time, Parent does hereby, for itself and each Parent Entity and their respective Affiliates, predecessors, successors and assigns, remise, release and forever discharge each New BBX Capital Entity, their respective Affiliates, successors and assigns, and all Persons that at any time prior to the Effective Time have been shareholders, members, partners, directors, managers, officers, agents or employees of New BBX Capital or any such New BBX Capital Entity (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (collectively, the "New BBX Capital Released Persons"), from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from or relating to any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, whether or not known as of the Effective Time. Parent, for itself and each Parent Entity and their respective Affiliates, predecessors, successors and assigns, hereby agrees, represents and warrants that each such releasor realizes and acknowledges that factual matters now unknown to it or them may have given or may hereafter give rise to Liabilities which are presently unknown, unanticipated and unsuspected, and each of them further agree, represent and warrant that this Section 5.1(b) has been negotiated and agreed upon in light of that realization and that it and they each nevertheless hereby intend to release and discharge the New BBX Capital Released Persons with regard to such unknown, unanticipated and unsuspected matters.

(c) No Impairment. Notwithstanding any provision of this Agreement to the contrary, nothing contained herein releases or shall release any Person from (nor impairs or will impair any right of any Person to enforce the applicable agreements, arrangements, commitments or understandings relating to) (i) the obligations under this Agreement or any Ancillary Agreement, in each case in accordance with its terms, including without limitation (A) any Liability Conveyed to or assumed by the Group of which such Person is a member in accordance with this Agreement or any Ancillary Agreement or (B) any indemnification or contribution pursuant to this Agreement for claims brought against the Parties as provided herein, and, if applicable, the appropriate provisions of the Ancillary Agreements, (ii) any right of any Person to be indemnified and/or advanced expenses under any corporate or organizational document of any Party (including, without limitation, any bylaws or articles of incorporation (or similar organizational document) of any Party) or any agreement or pursuant to applicable Law, or to be covered under any applicable directors' and officers' liability insurance policies of any Party, (iii) any accrued and unpaid compensation or expense reimbursement of any employee, (iv) any terms of any existing employment agreements or arrangements (including, without limitation, any restrictive covenant provisions such as confidentiality, non-solicitation, non-competition and non-disparagement provisions) or restrictive covenant agreements amongst any member of any Group and any of its respective employees, contractors or agents, or (v) any rights of any shareholder of Parent in its capacity as such, or under any agreement between such shareholder and any Parent Entity or New BBX Capital Entity.

(d) No Legal Proceedings as to Released Pre-Effective Time Claims. Following the Effective Time, no Party hereto shall make or permit any other member of its Group to make, any claim or demand, or commence any Legal Proceeding asserting any claim or demand, including any claim of contribution or any indemnification, against any member of the Group of the other Party, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a), or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) General Intent. It is the intent of each of Parent and New BBX Capital, by virtue of the provisions of this Section 5.1, to provide for a full and complete general release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Effective Time, between or among New BBX Capital or any member of the New BBX Capital Group, on the one hand, and Parent or any member of the Parent Group, on the other hand, except as expressly set forth in Section 5.1(c). At any time, at the request of any other Party, each Party shall cause each member of its Group to execute and deliver releases reflecting the provisions hereof.

Section 5.2 Indemnification by the New BBX Capital Group. Without limiting or otherwise affecting the indemnity or limitations of liability provisions of the Ancillary Agreements, from and after the Effective Time, New BBX Capital, and each member of the New BBX Capital Group shall, on a joint and several basis, indemnify, defend (or, where applicable, pay the defense costs for) and hold harmless the Parent Indemnitees from and against, and shall reimburse such Parent Indemnitees with respect to, any and all Liabilities that result from, relate to or arise, whether prior to, at or following the Effective Time, out of any of the following items (without duplication):

(a) the New BBX Capital Business, including any failure of New BBX Capital or any other member of the New BBX Capital Group or any other Person to pay, perform, fulfill, discharge and, to the extent applicable, comply with, promptly and in full, any Liability relating to, arising out of or resulting from the New BBX Capital Business or otherwise assumed by it hereunder or under any Ancillary Agreement;

(b) the New BBX Capital Assets and New BBX Capital Liabilities;

(c) any breach by New BBX Capital or any other member of the New BBX Capital Group of any agreement or obligation to be performed by such Persons pursuant to this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which, including any limitation of liability contained therein, shall be controlling); and

(d) the enforcement by the Parent Indemnitees of their rights to be indemnified, defended and held harmless under this Section 5.2.

Section 5.3 Indemnification by Parent. Without limiting or otherwise affecting the indemnity or limitation of liability provisions of the Ancillary Agreements, from and after the Effective Time, Parent, and each member of the Parent Group shall, on a joint and several basis, indemnify, defend (or, where applicable, pay the defense costs for) and hold harmless the New BBX Capital Indemnitees from and against, and shall reimburse such New BBX Capital Indemnitees with respect to, any and all Liabilities that result from, relate to or arise, whether prior to or following the Effective Time, out of any of the following items (without duplication):

(a) the Bluegreen Business, including any failure of Parent or any other member of the Parent Group or any other Person to pay, perform, fulfill, discharge and, to the extent applicable, comply with, promptly and in full any Liability relating to, arising out of or resulting from the Bluegreen Business;

(b) the Parent Assets and the Parent Liabilities;

(c) any breach by Parent or any other member of the Parent Group of any agreement or obligation to be performed by such Persons pursuant to this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which, including any limitations on liability contained therein, shall be controlling); and

(d) the enforcement by the New BBX Capital Indemnitees of their rights to be indemnified, defended and held harmless under this Section 5.3.

Section 5.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts; No Right to Subrogation.

(a) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement shall be net of (i) Insurance Proceeds received that actually reduce the amount of the Liability for which indemnification is sought or (ii) other amounts recovered from any Third Party that actually reduce the amount of, or are paid to the applicable Indemnitee in respect of, such Liability ("Third-Party Proceeds"). Accordingly, the amount which any Party (the "Indemnitor") is required to pay to any Person entitled to indemnification or reimbursement under Section 5.2 or Section 5.3 of this Agreement (the "Indemnitee") shall be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Liability. If the Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from the Indemnitor in respect of any Liability and subsequently receives Insurance Proceeds or Third-Party Proceeds, then the Indemnitee shall promptly pay to the Indemnitor an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made. Any Party that may be entitled to any Insurance Proceeds and/or Third Party Proceeds shall use its commercially reasonable best efforts to seek and recover such Insurance Proceeds or other Third-Party Proceeds.

(b) Notwithstanding anything to the contrary set forth herein, an insurer that would otherwise be obligated to defend or make payment in response to any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification or other provisions hereof, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other Third Party shall be entitled to any benefit that it would not be entitled to receive in the absence of the indemnification or assumption provisions of this Agreement by virtue of the indemnification or assumption provisions hereof.

Section 5.5 Procedures for Defense, Settlement and Indemnification of Third-Party Claims.

(a) If the Indemnitee receives notice or otherwise becomes aware that a Third Party (including any Governmental Authority) has asserted any claim or commenced a Legal Proceeding (other than claims or Legal Proceedings relating to Taxes, to the extent such claim or Legal Proceeding, or the indemnification therefor, is governed by the Tax Matters Agreement) for which the Indemnitee may be entitled to indemnification under this Agreement or any Ancillary Agreement (collectively, a "Third-Party Claim"), then the Indemnitee shall notify the Indemnitor in writing as promptly as practicable thereafter. Any such notice shall describe the Third-Party Claim in reasonable detail and include any relevant written correspondence from the Third Party regarding the Third-Party Claim. If the Indemnitee does not provide this notice of a Third-Party Claim, then the Indemnitor shall not be relieved of its indemnification obligations under this Article V, except to the extent that the Indemnitor is actually materially prejudiced as a result of such Indemnitee's failure to give timely notice. The Indemnitee shall deliver copies of all documents it receives regarding the Third-Party Claim to the Indemnitor promptly (and in any event within five (5) Business Days) after the Indemnitee receives them.

(b) With respect to any Third-Party Claim:

(i) Unless the Parties otherwise agree and subject to the cooperation and consultation rights and obligations of the Parties described in Section 5.6, to the extent applicable, within thirty (30) days after the Indemnitor receives notice of a Third-Party Claim in accordance with Section 5.5(a), the Indemnitor shall have the right to assume the defense of the Third-Party Claim (and, unless the Indemnitor has specified any reservations or exceptions and subject to this Section 5.5(b), seek to settle or compromise such Third-Party Claim), at its expense and with its counsel; provided, that the defense of such Third-Party Claim by the Indemnitor (A) shall not, in the reasonable determination of the Indemnitee, affect the Indemnitee or any of its controlled Affiliates in a materially adverse manner (and, for the avoidance of doubt, any Third-Party Claim relating to or arising in connection with any criminal proceeding, Legal Proceeding, indictment, allocation or investigation against Parent or its Affiliates shall be deemed materially adverse to Parent, and any Third-Party Claim relating to or arising in connection with any criminal proceeding, Legal Proceeding, indictment, allocation or investigation against New BBX Capital or its Affiliates shall be deemed materially adverse to New BBX Capital), (B) shall with respect to such Third-Party Claim solely seek (and continue to seek) monetary damages and not equitable relief and (C) shall not, in the reasonable determination of the Indemnitee's counsel, result in a conflict between the positions of the Indemnitor and Indemnitee in conducting such defense. The Indemnitee may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise, or settlement of the Third-Party Claim with respect to which the Indemnitor has assumed the defense. However, the Indemnitor shall pay the fees and expenses of one (1) counsel that the Indemnitee engages for any period during which the Indemnitor has not assumed (or is prohibited from assuming) the defense of the Third-Party Claim (other than for any period in which the Indemnitee did not notify the Indemnitor of the Third-Party Claim as required by Section 5.5(a)).

(ii) No Indemnitor shall consent to entry of a judgment or settle a Third-Party Claim without the applicable Indemnitee's consent, which consent shall not be unreasonably withheld or delayed. However, the Indemnitee shall consent to entry of a judgment or a settlement if it (A) does not include a finding or admission by the Indemnitee of a violation of Law or the rights of any Person, (B) involves only monetary relief which the Indemnitor has agreed to pay and could not reasonably be expected to have a material adverse impact (financial or otherwise) on the Indemnitee, or any of its Subsidiaries or Affiliates and (C) includes a full and unconditional release of the Indemnitee. The Indemnitee shall not be required to consent to entry of a judgment or a settlement if it would permit an injunction, declaratory judgment, other order or other non-monetary relief to be entered, directly or indirectly, against any Indemnitee.

(c) No Indemnitee shall admit any Liability with respect to, or settle, compromise or discharge, a Third-Party Claim without the Indemnitor's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), unless the Indemnitee releases the Indemnitor of such Indemnitor's indemnification obligations with respect to such Third-Party Claim.

Section 5.6 Additional Matters.

(a) With respect to any Third-Party Claim for which any New BBX Capital Entity, on the one hand, and any Parent Entity, on the other hand, may have Liability under this Agreement or any of the Ancillary Agreements, the Parties agree to cooperate fully and maintain a joint defense (in a manner that shall preserve the attorney-client privilege, joint defense or other privilege with respect thereto) so as to seek to minimize such Liabilities and defense costs associated therewith. The Party that is not responsible for managing the defense of such Third-Party Claims shall, upon reasonable request, be consulted with respect to significant matters relating thereto and may retain counsel to monitor or assist in the defense of such claims at its own cost.

(b) In the event of a Legal Proceeding that involves solely matters that are indemnifiable and in which (i) the Indemnitor is not a named defendant or (ii) any Indemnitee is a named defendant along with the Indemnitor, if either the Indemnitee or the Indemnitor so requests, the Parties shall endeavor, in the case of clause (i), to substitute the Indemnitor for the named defendant and, in the case of clause (ii), cause the Indemnitee to be removed as a named defendant. If such substitution, addition or removal cannot be achieved for any reason or is not requested, the rights and obligations of the Parties regarding indemnification and the management of the defense of claims as set forth in this Article V shall not be affected.

(c) Any claim for indemnification, contribution or reimbursement under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the Indemnitor; provided, that the failure by an Indemnitee to so assert any such claim shall not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnitor is actually materially prejudiced in respect thereby. The Indemnitor shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnitor does not respond within such thirty (30)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnitor or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If the Indemnitor does not respond within such thirty (30)-day period or rejects such claim in whole or in part, the Indemnitee shall be free to pursue such remedies as may be available thereto as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

Section 5.7 Contribution.

(a) If the indemnification provided for under this Agreement is judicially determined to be unavailable, or insufficient to hold harmless the Indemnitee in respect of any indemnifiable Liability, then the Indemnitor, in lieu of indemnifying such Indemnitee, shall contribute to the amount paid or payable by the Indemnitee as a result of such Liabilities. The amount contributed by the Indemnitor shall be in such proportion as reflects the relative fault of the Indemnitor and the Indemnitee in connection with the actions or omissions resulting in the Liability and any other relevant equitable considerations.

(b) The Parties agree that any method of allocation of contribution under this Section 5.7 shall take into account the equitable considerations referred to in Section 5.7(a). The amount paid or payable by the Indemnitee to which the Indemnitor shall contribute shall include any legal or other expenses reasonably incurred by the Indemnitee to investigate any claim or defend any Legal Proceeding. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

Section 5.8 Exclusive Remedy.

(a) Each of New BBX Capital and Parent intends and hereby agrees that this Article V sets forth the exclusive remedies and rights of the Parties following the Effective Time in respect of the matters to which the Parties are entitled to indemnification under this Article V, except that nothing contained in this Section 5.8 will impair any right of any Person (i) to specific performance under this Agreement, (ii) to equitable relief as provided in Section 7.15, and (iii) to enforce any rights and remedies provided in the Ancillary Agreements.

(b) Notwithstanding anything to the contrary set forth herein, indemnification, limitations on remedies and limitations on liabilities with respect to (i) the Ancillary Agreements and (ii) any agreements or arrangements entered into after the Effective Time between any member of the New BBX Capital Group or any of their respective Affiliates, on the one hand, and any member of the Parent Group or any of their respective Affiliates, on the other hand, in each case, shall be governed by the terms of such agreements or arrangements and not by this Article V.

Section 5.9 Survival of Indemnities. The rights and obligations of Parent and New BBX Capital and their respective Indemnitees under this Article V shall survive the Effective Time and the sale or other transfer by any Party of any Assets or businesses or the assignment by any Party of any Liabilities. The indemnity agreements contained in this Article V shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of any Indemnitee and (b) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

Section 5.10 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, in no event shall Parent, New BBX Capital or any member of their respective Groups have any Liability to the other or to any other member of the other's Group, or to any other Parent Indemnitee or New BBX Capital Indemnitee, as applicable, under this Agreement (a) to the extent that any such Liability resulted from any willful violation of Law or intentional misconduct, fraud or gross negligence by any Parent Indemnitee if a Parent Indemnitee is seeking indemnification or by any New BBX Capital Indemnitee if a New BBX Capital Indemnitee is seeking indemnification, or (b) for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than to the extent that an Indemnitee is liable for such damages under an order issued by a Governmental Authority in connection with a Third-Party Claim).

Section 5.11 Release of Guarantees.

(a) New BBX Capital will use its commercially reasonable best efforts to ensure that Parent and/or any applicable member of the Parent Group is released following the Distribution Date as guarantor of or obligor under any loan, guarantee, lease, Contract or other New BBX Capital Liability (each, a "Guarantee"). On or prior to the Distribution Date, to the extent required to obtain a release from any such Guarantee, and to the extent reasonably practicable, a New BBX Capital Entity will execute a Contract in the form of the existing Contract relating to such Guarantee or such other form as is reasonably agreed to by Parent and the relevant parties to such Guarantee undertaking such obligation(s).

(b) If the Parties are unable to obtain, or to cause to be obtained, any such required removal as set forth in this Section 4.5 prior to the Distribution Date, (i) New BBX Capital will, and will cause the other members of the New BBX Capital Group to indemnify, defend and hold harmless each of the Parent Indemnitees for any Liability arising from or relating to such Guarantee and will, as agent or subcontractor for the applicable Parent

Group guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder, and (ii) New BBX Capital will not, and will cause the other members of the New BBX Capital Group not to, agree to renew or extend the term of, increase any obligations under, or transfer to a third Person, any Guarantee for which a member of the Parent Group is or may be liable unless all obligations of the members of the Parent Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to Parent.

ARTICLE VI
ADDITIONAL AGREEMENTS

Section 6.1 Further Assurances. Subject to the limitations of Section 2.2 and the other terms and conditions of this Agreement, each Party will use its commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other Party in doing or causing to be done, all things necessary, proper or advisable under this Agreement and applicable Laws to consummate the transactions contemplated by this Agreement and the Ancillary Agreements as soon as practicable. Without limiting the foregoing, where the cooperation of Third Parties such as insurers or trustees would be necessary in order for a Party to completely fulfill its obligations under this Agreement or the Ancillary Agreements, such Party will use commercially reasonable best efforts to seek to cause such Third Parties to provide such cooperation. If any Subsidiary of Parent or New BBX Capital is not a party to this Agreement or, as applicable, any Ancillary Agreement, and it becomes necessary or desirable for such Subsidiary to be a party hereto or thereto to carry out the purpose hereof or thereof, then Parent or New BBX Capital, as applicable, will cause such Subsidiary to become a party hereto or thereto or cause such Subsidiary to undertake such actions as if such Subsidiary were such a party.

Section 6.2 Agreement for Exchange of Information.

(a) Except for any request for Information relating to any Legal Proceeding or threatened Legal Proceeding by any Parent Entity or New BBX Capital Entity against any member of the other's Group (which shall be governed by such discovery rules as may be applicable thereto), and subject to Section 6.2(b), each of Parent and New BBX Capital, on behalf itself and the members of its respective Group, shall use commercially reasonable best efforts to provide, to the other Group, at any time prior to, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of the members of such Group that the requesting party reasonably requests (i) in connection with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities Laws or Laws in respect of Taxes) by a Governmental Authority having jurisdiction over the requesting party, (ii) for use in any other judicial, regulatory, administrative, Tax, insurance or other proceeding or in order to satisfy audit, accounting, claims, regulatory, investigation, litigation, Tax or other similar requirements, or (iii) to comply with its obligations under this Agreement, any Ancillary Agreement, any Contract listed in Section 2.3(b) or any other Contract entered into prior to the Effective Time with respect to which the requesting party requires Information from the other Party in order to fulfill the requesting party's obligations under such Contract. The receiving party may use any Information received pursuant to this Section 6.2(a) solely to the extent reasonably necessary to satisfy the applicable obligations or requirements described in the immediately preceding sentence and shall otherwise take reasonable steps to protect such Information. Nothing in this Section 6.2 may be construed as obligating a Party to create any Information or provide access to or furnish Information not already in its possession or control.

(b) If any Party determines that the exchange of any Information pursuant to Section 6.2(a) is reasonably likely to violate any Law or Contract, or waive or jeopardize any attorney-client privilege, or attorney work-product protection, then such Party shall not be required to provide access to or furnish such Information to the other Party; provided, however, that the Parties shall take all reasonable measures to permit compliance with Section 6.2(a) in a manner that avoids any such violation, waiver or jeopardy. Parent and New BBX Capital intend that any provision of access to or the furnishing of Information that would otherwise be within the ambit of any legal privilege shall not operate as a waiver of such privilege.

Section 6.3 Ownership of Information. The provision of Information pursuant to Section 6.2 shall not grant or confer rights of license or otherwise in any such Information.

Section 6.4 Compensation for Providing Information. Except as otherwise set forth in any Ancillary Agreement, the Party requesting Information pursuant to Section 6.2 agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, actually incurred in seeking, gathering, copying and furnishing, or providing access to, such Information, to the extent that such costs are incurred for the benefit of the requesting Party.

Section 6.5 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VI and other provisions of this Agreement from and after the Distribution Date, each Party agrees to use its commercially reasonable best efforts to retain all Information in accordance with its record retention policy as in effect immediately prior to the Distribution Date or as modified in good faith thereafter; provided, that to the extent that any Ancillary Agreement provides for a longer retention period for certain Information, such longer period shall control. Notwithstanding anything to the contrary contained herein, Parent shall be entitled to retain a copy of the New BBX Capital Books and Records relating to periods prior to the Distribution Date; provided, that to the extent required to satisfy Parent's legal or Contractual obligations, Parent shall be entitled to retain original books and records relating to such periods, and shall provide New BBX Capital with a copy of all such retained books and records. In the case of any Information relating to a pending or threatened Legal Proceeding (including any pending or threatened investigation by a Governmental Authority) subject to a "litigation hold" known to any member of the Group that possesses relevant documents or records, such member shall issue and comply (or cause the applicable members of its Group to comply) with the requirements of such "litigation hold." Notwithstanding the foregoing, the applicable provisions of the Tax Matters Agreement shall govern the retention of Tax Returns, schedules and work papers and all material records or other documents relating thereto. No Party shall have any liability to any other Party if any Information is destroyed after reasonable efforts by such Party to comply with the provisions of this Section 6.5.

Section 6.6 Other Agreements Providing for Exchange of Information. The rights granted and obligations imposed under this Article VI shall be subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in Section 6.10 and in any Ancillary Agreement.

Section 6.7 Production of Witnesses; Records; Cooperation. From and after the Effective Time, except in the case of any Legal Proceeding or threatened Legal Proceeding by any Parent Entity or New BBX Capital Entity against any member of the other's Group (which shall be governed by such discovery rules as may be applicable thereto), each Party, shall (a) cooperate and consult in good faith as reasonably requested in writing by the other Party with respect to (i) any Legal Proceeding, or (ii) any audit or any other legal requirement, in each case, whether relating to this Agreement or any Ancillary Agreement or any of the transactions contemplated hereby or thereby, and (b) use commercially reasonable best efforts to make available to such other Party the former and current directors, managers, officers, employees, other personnel and agents of the members of its respective Group (whether as witnesses or otherwise) and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such Person (giving consideration to business demands of such directors, managers, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection therewith. Notwithstanding the foregoing, this Section 6.7 does not require a Party to take any step that would materially interfere, or that it reasonably determines could materially interfere, with its business. The requesting Party agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, incurred in connection with a request under this Section 6.7.

Section 6.8 Privilege; Conflicts of Interest.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Parent Group and the New BBX Capital Group, and that each of the members of the Parent Group and the New BBX Capital Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith.

(b) The Parties agree that, as between Parent and New BBX Capital:

(i) Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates to the Bluegreen Business and not to the New BBX Capital Business, whether or not the privileged Information is in the possession or under the control of any member of the

Parent Group or any member of the New BBX Capital Group. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any Parent Liabilities resulting from any Legal Proceedings that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Parent Group or any member of the New BBX Capital Group; and

(ii) New BBX Capital shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates to the New BBX Capital Business and not to the Bluegreen Business, whether or not the privileged Information is in the possession or under the control of any member of the New BBX Capital Group or any member of the Parent Group. New BBX Capital shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any New BBX Capital Liabilities resulting from any Legal Proceedings that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the New BBX Capital Group or any member of the Parent Group.

(c) Subject to the restrictions set forth in this Section 6.8, the Parties agree that they shall have a shared privilege, each with equal right to assert or waive any such shared privilege, with respect to all privileges not allocated pursuant to Section 6.8(b) and all privileges relating to any Legal Proceedings or other matters that involve both the Parent Group and the New BBX Capital Group and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) In the event of any Legal Proceedings between Parent and New BBX Capital, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); provided, that such waiver of a shared privilege shall be effective only as to the use of Information with respect to the Legal Proceeding between the Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any Third Party.

(e) If any dispute arises between Parent and New BBX Capital, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interests of either the Parent Group or the New BBX Capital Group, each Party agrees that it shall (i) negotiate with the other Party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other Party and (iii) not unreasonably withhold, condition or delay consent to any request for waiver by the other Party. Further, each Party specifically agrees that it will not withhold its consent to the waiver of a privilege for any purpose except to protect its own legitimate interests.

(f) In furtherance of the Parties' agreement under this Section 6.8, Parent and New BBX Capital shall, and shall cause the applicable members of their respective Group to, maintain their respective separate and joint privileges, including by entering into joint defense and common interest agreements where necessary or useful for this purpose.

Section 6.9 Insurance.

(a) Except as otherwise provided herein or in any other Ancillary Agreement, from and after the Effective Time, the New BBX Capital Entities shall cease to be insured by the Parent Group's insurance policies or by any of their self-insured or captive insurance programs, except with respect to insurance policies providing coverage on an occurrence basis, including defense and indemnity benefits attributable to or arising from or under such policies or programs (such policies or programs, the "Pre-Spin-Off Insurance Policies"). Any Parent Entity may, to be effective at the Effective Time, amend any insurance policies in the manner they deem appropriate to give effect to this Section 6.9; provided, that in no event shall a Parent Entity be permitted to amend any insurance policy in any manner which would eliminate, reduce or otherwise limit coverage for any occurrence or action that occurred prior to the Spin-Off if such coverage was then available. Other than as stated in the foregoing sentences of this Section 6.9(a) and in Section 6.12, from and after the Effective Time, New BBX Capital shall be responsible for securing all insurance it considers appropriate for its operation of the New BBX Capital Entities and the New BBX Capital Business and for promptly providing evidence thereof, as may be required, to Third Parties under any Contract; provided, that notwithstanding the foregoing, each of Parent and New BBX Capital shall comply (and shall cause the members of its Group to comply) with the applicable requirements relating to insurance matters set forth in the Ancillary Agreements.

(b) From and after the Effective Time, New BBX Capital shall not, and shall cause the members of its Group not to, assert any right, claim or interest in, to or under any Pre-Spin-Off Insurance Policies, other than any right, claim or interest that existed prior to the Effective Time. From and after the Effective Time, in the event any New BBX Capital Entity incurs any Liabilities covered by "occurrence form" Pre-Spin-Off Insurance Policies ("Pre-Spin-Off Insurance Claims"), and notifies Parent and/or the insurer of such Pre-Spin-Off Insurance Policies, in accordance with the notice provisions of such policies of such Pre-Spin-Off Insurance Claim, Parent shall, or shall cause the applicable members of the Parent Group to, submit such Pre-Spin-Off Insurance Claim to the applicable insurer following such notification. To the extent not covered by or payable under Pre-Spin-Off Insurance Policies, except as provided in Section 6.12, New BBX Capital shall be solely responsible to Parent and the members of the Parent Group for all costs, expenses and fees in connection with any Pre-Spin-Off Insurance Claim, and for any deductibles, retentions, premium increases on any Pre-Spin-Off Insurance Policies which are attributable to any Pre-Spin-Off Insurance Claims submitted pursuant to this Section 6.9(b). New BBX Capital shall, and shall cause the members of its Group to, reasonably cooperate with Parent or the applicable members of the Parent Group or the applicable insurer in the investigation, contesting, defense or settlement of such Pre-Spin-Off Insurance Claim. For the avoidance of doubt, (i) any Liabilities involving or related to Pre-Spin-Off Insurance Claims that are in excess of insurance coverage therefor (net of any retention amounts, recovery costs, increases in premium and related deductible payable by Parent or any member of the Parent Group in connection therewith) under applicable Pre-Spin-Off Insurance Policies shall not be the responsibility of Parent or any members of the Parent Group, unless otherwise required by this Agreement, including the provisions of Article V and Section 6.12, (ii) Parent and the members of the Parent Group shall have the right, subject to the terms and provisions of the applicable Pre-Spin-Off Insurance Policy, to investigate, contest, assume the defense of or settle any Pre-Spin-Off Insurance Claim and (iii) any amounts paid by an insurer and/or received by the New BBX Capital Group pursuant to this Section 6.9(b) shall not constitute indemnifiable Liabilities under Article V, and the New BBX Capital Group shall have no right to indemnification under Article V with respect to any such amounts. Furthermore, to the extent any Pre-Spin-Off Insurance Claim has been brought under a Pre-Spin-Off Insurance Policy by Parent or any member of the Parent Group, New BBX Capital shall, and shall cause the members of its Group to, from and after the Effective Time, reasonably cooperate with Parent or the members of the Parent Group in the investigation, contesting, defense or settlement of any such Pre-Spin-Off Insurance Claim.

(c) Subject to its compliance with the applicable terms of this Section 6.9 and Section 6.12, the Parent Group shall have no Liability to the New BBX Capital Group whatsoever as a result of the insurance policies and practices of the Parent Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

Section 6.10 Confidentiality.

(a) From and after the Effective Time, subject to Section 6.10(c) and except as contemplated by or otherwise provided in this Agreement or any other Ancillary Agreement, Parent shall not, and shall cause each of the members of the Parent Group and their respective Affiliates, directors, officers, employees, consultants, agents, representatives and advisors (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate any New BBX Capital Confidential Information to any Person other than Representatives of such Party or of its Affiliates who reasonably need to know such information in providing services to any member of the Parent Group and who have agreed to keep such information confidential in accordance with the terms hereof. If any disclosures are made to any member of the Parent Group in connection with any services provided to a member of the New BBX Capital Group under this Agreement or any other Ancillary Agreement, then the New BBX Capital Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. Parent shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the New BBX Capital Confidential Information as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.10(a), any information, material or documents relating to the New BBX Capital Business currently or formerly conducted, or proposed to be conducted, by any member of the New BBX Capital Group furnished to, or in possession of, Parent or any member of the Parent Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by any member of the Parent Group or any of their respective Representatives that contain or otherwise reflect such information, material or documents is referred to herein as "New BBX Capital Confidential Information." New BBX Capital Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the Parent Group not otherwise permissible hereunder, (ii) Parent can demonstrate became available to any member of the Parent Group after the Effective Time from a source other than any member of the Parent Group, New BBX Capital Group or their respective Affiliates, provided that the source of such information was not known by any member of the Parent Group to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, New BBX Capital or any member of the New BBX Capital Group with respect to such information, or (iii) is developed independently by any member of the Parent Group without use of or reference to any New BBX Capital Confidential Information. Parent agrees that when New BBX Capital Confidential Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, Parent will promptly after request of New BBX Capital either return to New BBX Capital all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify New BBX Capital in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that Parent may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement.

(b) From and after the Effective Time, subject to Section 6.10(c) and except as contemplated by this Agreement or any other Ancillary Agreement, New BBX Capital shall not, and shall cause each of the members of the New BBX Capital Group and their respective Affiliates and Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate any Parent Confidential Information to any Person other than Representatives of such Party or of its Affiliates who reasonably need to know such information in providing services to New BBX Capital or any member of the New BBX Capital Group and who have agreed to keep such information confidential in accordance with the terms hereof. If any disclosures are made to any member of the New BBX Capital Group in connection with any services provided to a member of the New BBX Capital Group under this Agreement or any other Ancillary Agreement, then the Parent Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. The New BBX Capital Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Parent Confidential Information as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.10(b), any Information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Parent or any of its Affiliates (other than any member of the New BBX Capital Group) furnished to, or in possession of, any member of the New BBX Capital Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by New BBX Capital, any member of the New BBX Capital Group or their respective Representatives, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Parent Confidential Information." Parent Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the New BBX Capital Group not otherwise permissible hereunder, (ii) New BBX Capital can demonstrate became available to any member of the New BBX Capital Group after the Effective Time from a source other than any member of the New BBX Capital Group, any member of the Parent Group or their respective Affiliates, provided the source of such information was not known by any member of the New BBX Capital Group to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Parent or its Affiliates with respect to such information or (iii) is developed independently by any member of the New BBX Capital Group without use of or reference to any Parent Confidential Information. New BBX Capital agrees that when Parent Confidential Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, New BBX Capital will promptly after request of Parent either return to Parent all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify Parent in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, New BBX Capital may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement.

(c) If Parent or its Affiliates, on the one hand, or New BBX Capital or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any New BBX Capital Confidential Information or Parent Confidential Information, as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other Party with written notice of such request or demand as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order. The Party receiving such request or demand agrees to take, and cause its Representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the Party that received such request or demand may thereafter disclose or provide any New BBX Capital Confidential Information or Parent Confidential Information, as the case may be, to the minimum extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) Each of Parent and New BBX Capital acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of Third Parties that was received under confidentiality or non-disclosure agreements with such Third Parties prior to the Effective Time. Parent and New BBX Capital each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of Third Parties to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Effective Time between or among one (1) or more members of the applicable Party's Group and such Third Parties to the extent disclosed to such Party.

Section 6.11 Non-Solicitation.

(a) From the Distribution Date until the date that is two (2) years after the Distribution Date, New BBX Capital shall not, and shall cause each of its Affiliates and its and their Representatives (to the extent acting on their behalf) not to, without the prior written consent of Parent, directly or indirectly, (i) solicit for employment or service, or employ or engage (or refer to another Person for the purpose of such Person soliciting for employment or service, or employing or engaging) any then-current employee of the Parent Group (the "Parent Group Employees") or (ii) knowingly induce or encourage any Parent Group Employee to no longer be employed by or provide services to the Parent Group; provided, however, that nothing in this Section 6.11(a) shall prohibit New BBX Capital or any of its Affiliates or Representatives from (A) engaging in general solicitations to the public or general advertising, including in periodicals, newspapers, trade publications and the Internet, not directly targeted at the Parent Group Employees, (B) soliciting or employing any person who has been terminated by a Parent Entity, (C) employing or otherwise working with any Parent Group Employee who initiates employment discussions with New BBX Capital or any of its Affiliates solely on his or her own initiative without any direct or indirect solicitation by or encouragement from New BBX Capital or any of its Affiliates, or (D) soliciting or employing any person who has resigned from employment with a Parent Entity at least six (6) months prior to such solicitation or employment.

(b) From the Distribution Date until the date that is two (2) years after the Distribution Date, Parent shall not, and shall cause each of its Affiliates and its and their Representatives (to the extent acting on their behalf) not to, without the prior written consent of New BBX Capital, directly or indirectly, (i) solicit for employment or service, or employ or engage (or refer to another Person for the purpose of such Person soliciting for employment or service, or employing or engaging) any then-current employee of the New BBX Capital Group (the "New BBX Capital Group Employees") or (ii) knowingly induce or encourage any New BBX Capital Group Employee to no longer be employed by or provide services to the New BBX Capital Group; provided, however, that nothing in this Section 6.11(b) shall prohibit Parent or any of its Affiliates or Representatives from (A) engaging in general solicitations to the public or general advertising, including in periodicals, newspapers, trade publications and the Internet, not directly targeted at New BBX Capital Group Employees, (B) soliciting or employing any person who has been terminated by a New BBX Capital Entity, (C) employing or otherwise working with any New BBX Capital Group Employee who initiates employment discussions with Parent or any of its Affiliates solely on his or her own initiative without any direct or indirect solicitation by or encouragement from Parent or any of its Affiliates, or (D) soliciting or employing any person who has resigned from employment with a New BBX Capital Entity at least six (6) months prior to such solicitation or employment.

(c) Notwithstanding the foregoing, Sections 6.11(a) and (b) shall not restrict or prohibit the employment or engagement of any individual who is agreed by the Parties to serve as an officer or employee of both a member of the Parent Group and a member of the New BBX Capital Group following the Spin-Off, including, without limitation, the individuals to serve as executive offices of both Parent and New BBX Capital following the Spin-Off as described in the Information Statement.

(d) Parent and New BBX Capital acknowledge that the covenants set forth in this Section 6.11 are reasonable in order to, among other things, protect the value of their respective businesses and goodwill. It is the intention of the Parties that if any restriction or covenant contained in this Section 6.11 is held to cover a geographic area or to be for a length of time which is not permitted by applicable Law, or in any way construed to be too broad or to any extent invalid, such restriction or covenant may be amended by a court of competent jurisdiction to interpret or reform (including by substitution, addition or deletion of words and numbers) this Section 6.11 to provide for a covenant having the maximum enforceable geographic area, time period and other provisions (not greater than those contained in this Section 6.11) that would be valid and enforceable under such Law.

Section 6.12 Directors' and Officers' Exculpation, Indemnification and Insurance.

(a) From and after the Spin-Off, Parent and its Subsidiaries will honor and fulfill, in all respects, the obligations of Parent and its Subsidiaries pursuant to any indemnification agreements entered into before the date of this Agreement between Parent and any of its Subsidiaries and any of their respective current or former directors or officers (and any person who becomes a director or officer of Parent or any of its Subsidiaries prior to the Spin-Off) (collectively, the "Indemnified Persons") and any indemnification obligations of Parent and its Subsidiaries to the Indemnified Persons under the articles of incorporation, bylaws or similar organizational documents of Parent and its Subsidiaries as in effect as of the Distribution Date. In addition, for a period commencing on the Distribution Date and ending on the sixth (6th) anniversary of the Distribution Date, Parent and its Subsidiaries will cause the articles of incorporation, bylaws and other similar organizational documents of Parent and its Subsidiaries to contain provisions with respect to indemnification, exculpation and the advancement of expenses that are at least as favorable as the indemnification, exculpation and advancement of expenses provisions set forth in the articles of incorporation, bylaws and other similar organizational documents of Parent and its Subsidiaries as in effect as of the Distribution Date. During such six (6) year period, such provisions may not be repealed, amended or otherwise modified in any manner except as required by applicable Law.

(b) During the period commencing on the Distribution Date and ending on the sixth (6th) anniversary of the Distribution Date, Parent will maintain in effect directors' and officers' liability insurance ("D&O Insurance") in respect of acts or omissions occurring at or prior to the Distribution on terms (including with respect to coverage, conditions, retentions, limits and amounts) that are substantially equivalent to those of Parent's and its Subsidiaries' current directors' and officers' liability insurance in effect as of the Distribution Date. Prior to the Distribution, Parent may purchase a prepaid "tail" policy with respect to the D&O Insurance from an insurance carrier with the same or better credit rating as Parent's current directors' and officers' liability insurance carrier. If Parent elects to purchase such a "tail" policy prior to the Distribution, Parent will maintain such "tail" policy in full force and effect and continue to honor its obligations thereunder, in lieu of all other obligations under the first sentence of this Section 6.12(b), for so long as such "tail" policy is in full force and effect.

(c) If Parent or any of its successors or assigns will (i) consolidate with or merge into any other Person and not be the continuing or surviving corporation or entity in such consolidation or merger; or (ii) transfer all or substantially all of its properties and assets to any Person, then proper provisions will be made so that the successors and assigns of Parent or any of its successors or assigns will assume all of the obligations of Parent set forth in this Section 6.12.

(d) The obligations set forth in this Section 6.12 may not be terminated, amended or otherwise modified in any manner that adversely affects any Indemnified Person (or any other Person who is a beneficiary pursuant to the D&O Insurance or the "tail" policy referred to in Section 6.12(b) (and their heirs and Representatives)) without the prior written consent of such affected Indemnified Person or other person who is a beneficiary under the D&O Insurance or the "tail" policy referred to in Section 6.12(b) (and their heirs, agents and Representatives). Each of the Indemnified Persons or other Persons who are beneficiaries pursuant to the D&O Insurance or the "tail" policy referred to in Section 6.12(b) (and their heirs, agents and Representatives) are intended to be third-party beneficiaries of this Section 6.12, with full rights of enforcement of the provisions of this Section 6.12 as if a party hereto. The rights of the Indemnified Persons (and other Persons who are beneficiaries pursuant to the D&O Insurance or the "tail" policy referred to in Section 6.12(b) (and their heirs, agents and Representatives)) pursuant to this Section 6.12 will be in addition to, and not in substitution for, any other rights that such Persons may have pursuant to the articles of incorporation, bylaws and other similar organizational documents of Parent and its Subsidiaries, any and all indemnification agreements entered into with Parent or any of its Subsidiaries before the Distribution Date or applicable Law (whether at Law or in equity).

(e) Nothing in this Agreement is intended to, or will be construed to, release, waive or impair any rights to directors' and officers' insurance claims pursuant to any applicable insurance policy or indemnification agreement that is or has been in existence with respect to Parent or any of its Subsidiaries for any of their respective directors, officers or other employees, it being understood and agreed that the indemnification provided for in this Section 6.12 is not prior to or in substitution for any such claims pursuant to such policies or indemnification agreement.

Section 6.13 Agreement as to Certain Services. During the ninety (90 day period commencing on the Distribution Date, in the event that either New BBX Capital or Parent (a "Service Recipient") identifies in writing to the other Party (the 'Service Provider") any services that were provided by the Service Provider or any of its Subsidiaries in respect of the business of the Service Recipient or any of its Subsidiaries prior to the Spin-Off and that are reasonably necessary to operate the business of the Service Recipient or any of its Subsidiaries in the manner conducted as of the Distribution Date ("Omitted Services"), the Parties will promptly negotiate in good faith the terms governing any such Omitted Service with respect to (i) the nature and description of such Omitted Service, (ii) the duration such Omitted Service will be provided and (iii) the fees for such Omitted Service.

Section 6.14 Tax Withholding. Each member of the Parent Group and each member of the New BBX Capital Group shall be entitled to deduct and withhold from amounts otherwise payable (or distributable) pursuant to this Agreement such amounts as are required to be deducted and withheld under applicable Law and such withheld amounts will be treated as being paid (or distributed) to the Person with respect to which such deduction and withholding was made. Parent or any agent acting on its behalf may sell a portion of the New BBX Capital Common Stock otherwise distributable to any Person in order to pay any withholding Taxes required to be withheld under applicable Law from distributions to such Person, as well as any related fees and expenses. If a Governmental Authority with respect to Taxes determines that the Parent Group is liable with respect to any withholding Taxes on the Distribution, the New BBX Capital Group shall promptly indemnify, reimburse, defend and hold harmless the Parent Group for such Taxes.

Section 6.15 Name Changes. Subject to the approval of Parent's shareholders of Parent's name change to "Bluegreen Vacations Holding Corporation," Parent shall, if so determined by its Board of Directors, file with the Florida Department of State, prior to, at or promptly following the Effective Time, an amendment to Parent's Amended and Restated Articles of Incorporation, as amended, to change Parent's name to Bluegreen Vacations Holdings Corporation so that New BBX Capital can (and, in which case, New BBX Capital shall take such actions necessary to) assume the name "BBX Capital Corporation."

Section 6.16 Intellectual Property Assignment/Recordation. Each Party will be responsible for, and will pay all expenses (whether incurred before or after the Effective Time) involved in the notarization, authentication, legalization and/or consularization of the signatures of any of the representatives of its Group on any of the documents relating to the Conveyance of Intellectual Property. New BBX Capital will be responsible for, and will pay all expenses (whether incurred before or after the Effective Time) relating to the recording of any such documents relating to the Conveyance of Intellectual Property to any member of the New BBX Capital Group with any Governmental Authorities as may be necessary or appropriate.

Section 6.17 Removal of Tangible Assets. Except as may be otherwise provided in the Ancillary Agreements or otherwise agreed to by the Parties, all tangible Assets of either Party (after giving effect to the Separation) that are located at any facilities of the other Party shall be moved by the Party having the right to such Assets from the facilities of the other Party as promptly as practicable after the Effective Time from such facilities, at the moving party's expense and in a manner so as not to unreasonably interfere with the operations of the other Party and to not cause damage to such facility; the other Party hereby agreeing to provide reasonable access to its facility to effectuate same.

Section 6.18 Dispute Resolution.

(a) Except as expressly set forth to the contrary herein or in any Ancillary Agreement, including subject to the dispute resolution procedure under the Tax Matters Agreements, which shall govern disputes, claims and controversies in respect of Taxes thereunder any dispute, controversy or claim arising out of or relating to this Agreement or any Ancillary Agreement (a "Dispute") shall be subject to the provisions of this Section 6.18. To the fullest extent practicable, prior to bringing or commencing, or threatening to bring or commence, any action or other Legal Proceeding, a Party having or raising a Dispute shall provide written notice thereof to the other Party (the "Initial Notice"), and the Parties shall thereafter attempt in good faith to negotiate a resolution of the Dispute in accordance with this Section 6.01. The negotiations shall be conducted by executives of each Party who hold, at a minimum, the title of vice president and who have authority to settle the Dispute. In the event that a Dispute has not been resolved pursuant to the foregoing provisions of this Section 6.18 within thirty (30) days after receipt by a Party of the Initial Notice, or within such longer period as the Parties may agree to in writing, the Party that delivered the Initial Notice shall provide written notice of such Dispute to the Chief Executive Officer of each Party (the "CEO Notice"). For a period of thirty (30) days from the date of receipt of the CEO Notice, or such longer period of time as the Chief Executive Officers may mutually agree, the Chief Executive Officers of the Parties shall negotiate in good faith in an attempt to resolve the Dispute. If the Dispute is not resolved within the time period specified in the preceding sentence, then either Party may bring or commence a Legal Proceeding and pursue other rights and remedies available to it hereunder, at law or in equity, with respect to the matter in Dispute. All negotiations under this Section 6.18 shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. Unless otherwise agreed in writing, the Parties shall, and shall cause the members of their respective Groups to, continue to honor all obligations and commitments under this Agreement and each Ancillary Agreement to the fullest extent required hereby or thereby during the course of dispute resolution pursuant to this Section 6.18, except and then only to the extent that such obligations or commitments are the specific subject of the Dispute at issue.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Expenses. Except as otherwise expressly set forth in this Agreement or in any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all costs and expenses in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, the Parent Proxy Statement and the New BBX Capital Registration Statement, and the consummation of the transactions contemplated hereby and thereby incurred (i) on or prior to the Effective Time will be borne by Parent and (ii) after the Effective Time will be borne by the Party or its applicable Subsidiary incurring such costs or expenses.

Section 7.2 Entire Agreement. This Agreement and the Ancillary Agreements, including any related annexes, exhibits and schedules, as well as any other agreements and documents referred to herein and therein, shall together constitute the entire agreement between the Parties relating to the transactions contemplated hereby and supersede any other agreements, whether written or oral, that may have been made or entered into by or among any of the Parties or any of their respective Affiliates relating to the transactions contemplated hereby.

Section 7.3 Governing Law. This Agreement and each Ancillary Agreement, and all Legal Proceedings (whether in contract or tort) that may be based upon, arise out of or relate hereto or thereto or the negotiation, execution or performance hereof or thereof (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or any Ancillary Agreement or as an inducement to enter into this Agreement or any Ancillary Agreement), shall be governed by and construed in accordance with the Laws of the State of Florida, without regard to the choice of law or conflicts of law principles thereof.

Section 7.4 Characterization of Payments. The Parties agree to treat all payments required by this Agreement (other than any payments with respect to interests accruing after the Distribution Date) as either a contribution by Parent to New BBX Capital or a distribution by New BBX Capital to Parent, as the case may be, occurring immediately prior to the Distribution Date unless a contrary treatment is required under applicable Law.

Section 7.5 Notices. All notices and other communications among the Parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (c) when delivered by FedEx or other nationally recognized overnight delivery service or (d) when delivered by facsimile (solely if receipt is confirmed) or email (so long as the sender of such email does not receive an automatic reply from the recipient's email server indicating that the recipient did not receive such email), addressed as follows:

If to Parent:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: Chairman
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

If to New BBX Capital:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: President
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

or, in each case, to such other address as the Parties hereto may from time to time designate in writing.

Section 7.6 Priority of Agreements. If there is a conflict between any provision of this Agreement and a provision in any of the Ancillary Agreements (other than the Tax Matters Agreement and Employee Matters Agreement), each of this Agreement and the other Ancillary Agreement is to be interpreted and construed, if possible, so as to avoid or minimize such conflict, but to the extent, and only to the extent, of such conflict, the provision of this Agreement shall control unless specifically provided otherwise in this Agreement or in the Ancillary Agreement. Except as otherwise specifically provided herein, this Agreement shall not apply to matters relating to Taxes or employees, employee benefits plans, and related assets and liabilities, including pension and other post-employment benefit assets and liabilities, which shall be exclusively governed by the Tax Matters Agreement and Employee Matters Agreement, respectively. In the case of any conflict between this Agreement and the Tax Matters Agreement or Employee Matters Agreement in relation to any matters addressed by the Tax Matters Agreement or Employee Matters Agreement, respectively, the Tax Matters Agreement or Employee Matters Agreement, as applicable, shall prevail.

Section 7.7 Amendments and Waivers; Schedule Updates. Subject to any limitations expressly set forth in the Information Statement, except as expressly set forth to the contrary herein, prior to the Effective Time, this Agreement and any Ancillary Agreement may be amended and any provision hereof or thereof waived, in whole or in part, by Parent, in its sole discretion, by execution of a written document evidencing the same delivered to New BBX Capital; it being understood that the foregoing includes, without limitation, Parent's right, in its sole discretion, to supplement or update the schedules to this Agreement and each Ancillary Agreement by delivery of such supplements or updates to New BBX Capital. Additionally, the Parties will cooperate to mutually agree on the final schedules to the Transition Services Agreement and Employee Matters Agreement, including any updates thereto.. Following the Effective Time, no provision of this Agreement shall be waived or amended unless in writing and, in the case of a waiver, signed by an authorized representative of the waiving Party and, in the case of an amendment, signed by an authorized representative of each Party. No waiver by any of the Parties of any provision or breach hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent breach hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 7.8 Termination. This Agreement and each Ancillary Agreement may be terminated upon the mutual written agreement of the Parties. In addition, this Agreement and all Ancillary Agreements may be terminated and the Spin-Off abandoned at any time prior to the Effective Time by Parent, in the sole discretion of its Board of Directors, without the approval or consent of any other Person, including New BBX Capital and the shareholders of Parent. If terminated prior to the Effective Time, no Party shall have any Liability of any kind to the other Party or any other Person on account of this Agreement or any Ancillary Agreement.

Section 7.9 Assignability. Neither Party may assign its rights or delegate its duties under this Agreement without the written consent of the other Party, except that a Party may assign its rights or delegate its duties under this Agreement to an Affiliate thereof; provided, that no assignment or delegation shall relieve any Party of its indemnification obligations or obligations in the event of a breach of this Agreement and any assignee shall agree in writing to be bound by the terms and conditions contained in this Agreement. Any attempted assignment or delegation in breach of this Section 7.9 shall be null and void.

Section 7.10 Parties in Interest. Except for the indemnification rights under this Agreement of any Parent Indemnitee or New BBX Capital Indemnitee, in their respective capacities as such, and except as set forth in Section 6.12, this Agreement is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein, express or implied, shall give or be construed to give to any Person, other than the Parties hereto and such permitted assigns, any legal or equitable rights hereunder.

Section 7.11 Interpretation.

(a) Unless the context of this Agreement otherwise requires:

(i) (A) words of any gender include each other gender and neuter form; (B) words using the singular or plural number also include the plural or singular number, respectively; (C) derivative forms of defined terms will have correlative meanings; (D) the terms "hereof," "herein," "hereby," "hereto," "herewith," "hereunder" and derivative or similar words refer to this entire Agreement; (E) the terms "Article," "Section," "Annex," "Exhibit," and "Schedule" refer to the specified Article, Section, Annex, Exhibit or Schedule of this Agreement and references to "paragraphs" or "clauses" shall be to separate paragraphs or clauses of the section or subsection in which the reference occurs; (F) the word "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," and (G) the word "or" shall be disjunctive but not exclusive;

(ii) references to Contracts (including this Agreement) and other documents or Laws shall be deemed to include references to such Contract or Law as amended, restated, supplemented or modified from time to time in accordance with its terms and the terms hereof, as applicable, and in effect at any given time (and, in the case of any Law, to any successor provisions);

(iii) references to any federal, state, local, or foreign statute or Law shall include all regulations promulgated thereunder; and

(iv) references to any Person include references to such Person's successors and permitted assigns, and in the case of any Governmental Authority, to any Person succeeding to its functions and capacities.

(b) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. The Parties acknowledge that each Party and its attorney has reviewed and participated in the drafting of this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party, or any similar rule operating against the drafter of an agreement, shall not be applicable to the construction or interpretation of this Agreement.

(c) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. If any action is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action may be deferred until the next Business Day.

(d) The word "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if."

(e) The term "writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form.

(f) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP unless the context otherwise requires.

Section 7.12 Severability. If any provision of this Agreement or any Ancillary Agreement, or the application of any provision to any Person or circumstance, is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Agreement, they shall take any actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by Law and, to the extent necessary, shall amend or otherwise modify this Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties.

Section 7.13 Captions; Counterparts. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement. This Agreement may be executed in two or more counterparts (including by electronic or .pdf transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of any signature page by facsimile, electronic or pdf. transmission shall be binding to the same extent as an original signature page.

Section 7.14 Jurisdiction; Consent to Jurisdiction.

(a) Exclusive Jurisdiction. Except as otherwise expressly provided in any Ancillary Agreement, each of the Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state or federal courts located in Broward County, Florida in any Legal Proceeding arising out of or relating to this Agreement, the Ancillary Agreements, the documents referred to in this Agreement, or any of the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the Parties hereby irrevocably and unconditionally (i) agrees not to commence any such Legal Proceeding except in such courts, (ii) agrees that any claim in respect of any such Legal Proceeding may be heard and determined in such courts, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Legal Proceeding in such courts, and (iv) waives, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such Legal Proceeding in such courts. Each of the Parties agrees that a final judgment in any such Legal Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. To the fullest extent permitted by Law, each Party irrevocably consents to service of process in the manner provided for notices in Section 7.5. Nothing in this Agreement shall affect the right of any Party to this Agreement to serve process in any other manner permitted by Law.

(b) Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY AGREEMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT AND THE ANCILLARY AGREEMENTS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY LITIGATION, SEEK TO ENFORCE SUCH WAIVERS, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (iii) EACH PARTY MAKES SUCH WAIVERS VOLUNTARILY, AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.14(b).

Section 7.15 Specific Performance. From and after the Distribution Date, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party who is, or is to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their respective rights under this Agreement or such Ancillary Agreement, as applicable, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative, subject to Section 5.8. The Parties agree that, from and after the Distribution, the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 7.16 Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay unless this Agreement has previously been terminated as provided above. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition, and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

Section 7.17 No Set-Off. Except as set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's Group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement, or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

Section 7.18 Publicity. Prior to the Distribution Date, Parent shall be responsible for issuing any press releases or otherwise making public statements with respect to the Spin-Off or any of the other transactions contemplated hereby or under any Ancillary Agreement. For the one (1) year period commencing on the Distribution Date, each Party shall consult with the other Party prior to issuing any press releases or otherwise making public statements with respect to the Spin-Off or any of the other transactions contemplated hereby or under any Ancillary Agreement and prior to making any filings with any Governmental Authority with respect thereto.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

BBX CAPITAL CORPORATION

By: ____________________________
Name: Alan B. Levan
Title: Chairman and Chief Executive Officer

BBX CAPITAL FLORIDA LLC

By: ____________________________
Name: Jarett S. Levan
Title: President and Chief Executive Officer

Schedule 1.1(a)
Other New BBX Capital Assets

Schedule 1.1(b)
Other New BBX Capital Liabilities

Schedule 1.2(a)
New BBX Capital Balance Sheet

Schedule 1.2(b)
Parent Balance Sheet

Exhibit 3.1

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
BBX CAPITAL CORPORATION
(formerly New BBX Capital Corporation)

The Amended and Restated Articles of Incorporation of BBX Capital Corporation, a Florida corporation (the "Corporation"), are as follows:

ARTICLE I
NAME AND ADDRESS

The name of the Corporation is BBX Capital Corporation. The address of the principal office and the mailing address of the Corporation is 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida 33301.

ARTICLE II
PURPOSE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which a corporation may be incorporated under the Florida Business Corporation Act, as the same may from time to time be amended.

ARTICLE III
TERM OF EXISTENCE

The Corporation shall have perpetual existence unless sooner dissolved in accordance with the laws of the State of Florida.

ARTICLE IV
AUTHORIZED CAPITAL STOCK

The Corporation is authorized to have outstanding 30,000,000 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), 4,000,000 million shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock" and collectively with the Class A Common Stock, "Common Stock"), and 10,000,000 shares of preferred stock, par value $0.01 per share. The Board of Directors is authorized to divide the preferred stock into, and approve the Corporation's issuance of, one or more series of preferred stock having the relative rights, preferences and limitations as may from time to time be determined by the Board of Directors. Without limiting the foregoing, the Board of Directors is expressly authorized to fix and determine, with respect to each series of preferred stock designated by the Board of Directors: (i) the number of shares which shall constitute the series and the designation of such shares; (ii) the rate and the time at which dividends on that series shall be paid and whether, and the extent to which, such dividends shall be cumulative or noncumulative; (iii) the right of the holders of the series to vote; (iv) the preferential rights of the holders upon liquidation or distribution of the assets of the Corporation; (v) the terms upon which the holders of any series may convert their shares into any other class or series of stock; and (vi) the terms and conditions upon which the series may be redeemed, and the terms and amount of any sinking fund or purchase fund for the purchase or redemption of that series.

ARTICLE V
RIGHTS OF COMMON STOCK

Section 1. Voting Rights of Common Stock.

Except as otherwise expressly provided by these Amended and Restated Articles of Incorporation, or any amendment hereto, or as required by Florida law, all rights to vote and all voting power (including, without limitation, the right to elect directors) shall be vested exclusively in the holders of Common Stock, voting together without regard to class, as follows:

(a) Class A Common Stock. On all matters presented for a vote of holders of Common Stock (other than any separate class vote required by these Amended and Restated Articles of Incorporation, or any amendment hereto, or by Florida law), holders of Class A Common Stock shall be entitled to one vote for each share held. Until the occurrence of a Final Trigger Event (as defined below), the Class A Common Stock shall collectively (together with all votes entitled to be cast, if any, in respect of the Series A Preferred Stock (as defined below)) represent in the aggregate Class A Percentage (as defined below) of the total voting power of the Common Stock.

(b) Class B Common Stock. On all matters presented for a vote of holders of Common Stock (other than any separate class vote required by these Amended and Restated Articles of Incorporation, or any amendment hereto, or by Florida law), until the occurrence of a Final Trigger Event, holders of Class B Common Stock shall be entitled to a number of votes (which may be or include a fraction of a vote) for each share of Class B Common Stock held equal to, subject to Section 1(c)(i) of Article VI, the quotient derived by dividing (1) the number equal to (x) the total number of shares of Class A Common Stock outstanding on the relevant record date divided by the Class A Percentage less (y) the total number of shares of Class A Common Stock outstanding on such record date by (2) the total number of shares of Class B Common Stock outstanding on such record date. For the avoidance of doubt, the voting provisions herein are intended to vest in the Class B Common Stock, and shall be interpreted and applied so that the Class B Common Stock possesses, in the aggregate the percentage of the total voting power of the Common Stock equal to 100% less the Class A Percentage (such percentage, the "Class B Percentage") on all matters presented for a vote of holders of Common Stock (other than any separate class vote required by these Amended and Restated Articles of Incorporation, or any amendment hereto, or by Florida law) until a Final Trigger Event.

(c) Voting Percentages.

(i) Following the initial distribution of shares of Class B Common Stock so that the number of outstanding shares exceeds 360,000 shares (the "Distribution") until the total number of shares of Class B Common Stock thereafter outstanding shall first fall below 360,000 shares (the "Initial Trigger Event"), the Class A Percentage shall be 22% and the Class B Percentage shall be 78%.

(ii) From and after the occurrence of an Initial Trigger Event but prior to a Final Trigger Event, the Class A Percentage shall be increased based on the number of shares of Class B Common Stock then issued and outstanding as follows:

(A) if, on the record date for any matter to be voted upon, or consented to, by the holders of Common Stock as provided in clauses (a) and (b) above, the number of outstanding shares of Class B Common Stock is less than 360,000 shares but greater than 280,000 shares, then the Class A Percentage shall thereafter be equal to 40% and the Class B Percentage shall be 60%; and

(B) if, on the record date for any matter to be voted upon, or consented to, by the holders of Common Stock as provided in clauses (a) and (b) above, the number of outstanding shares of Class B Common Stock is less than 280,000 shares but greater than 100,000 shares, then the Class A Percentage shall thereafter be equal to 53% and the Class B Percentage shall be 47%.

(iii) Notwithstanding the foregoing nor anything else herein to the contrary, until the occurrence of a Final Trigger Event: (A) at no time shall the Class A Percentage be reduced or the Class B Percentage be increased as a result of a change in the number of shares of Class B Common Stock outstanding other than through the operation of subparagraph (f) below; and (B) the Class A Percentage shall never be greater than 53% and the Class B Percentage shall never be less than 47%.

(d) Final Trigger Event. When the total number of outstanding shares of Class B Common Stock shall first fall below 100,000 shares (a "Final Trigger Event"), thereafter, on all matters presented for a vote or consent of the Corporation's shareholders, holders of Class A Common Stock and Class B Common Stock shall each be entitled to one vote for each share held and the Class A Percentage and Class B Percentage shall no longer have any application or effect.

(e) Cumulative Voting. There shall not be cumulative voting on the election of directors.

(f) Class Vote by Class B Common Stock. Notwithstanding any other provision of this Article V, following the Distribution until the occurrence of a Final Trigger Event, the Corporation shall not take any of the following actions without the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, given separately as a class, which vote shall be in addition to any right to vote required by Florida law: (i) issue any additional shares of Class B Common Stock, except (1) pursuant to a stock dividend issued exclusively to the holders of Class B Common Stock, (2) pursuant to the terms of any securities issued in or in connection with the Distribution that are by their terms convertible into or exchangeable or exercisable for shares of Class B Common Stock, (3) pursuant to the terms of any class or series of preferred stock or (4) pursuant to any awards granted under the terms of any equity compensation plan of the Corporation adopted in connection with the Distribution or thereafter adopted and approved by the holders of a majority of the then issued and outstanding shares of Class B Common Stock; (ii) effect any reduction in the number of outstanding shares of Class B Common Stock (other than by holders of Class B Common Stock converting Class B Common Stock into Class A Common Stock or through voluntary dispositions thereof to the Corporation); or (iii) effect any change or alteration in any provision of this Article V, Section 1.

(g) Adjustments. In the event of a reorganization, recapitalization, merger, stock split or reverse stock split affecting the Class B Common Stock, then the threshold number of shares of Class B Common Stock referenced in the definition of an Initial Trigger Event, in the definition of a Final Trigger Event or in the adjustment of the Class A Percentage or the Class B Percentage specified in subsection (c)(ii) of this Article V, Section 1 and the number or kind of shares into which the Class B Common Stock are convertible pursuant to this Article V shall be appropriately and proportionately adjusted; and in each such case such provisions shall be applied so as to give effect to such adjustments. If any such transaction shall be effected by amendment of these Amended and Restated Articles of Incorporation, then such amendment shall itself adjust such threshold share number or conversion rate in accordance with the foregoing.

Section 2. Dividends and Distributions on Common Stock.

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of outstanding shares of Class A Common Stock and Class B Common Stock shall be entitled to share equally, on a per share basis, in any dividend or distribution of funds legally available if the Board of Directors, in its discretion, determines to declare and cause the Corporation to pay dividends or distributions, and then, only at the times and in the amounts that the Board of Directors may determine; provided that with respect to dividends or other distributions payable other than in cash, including distributions pursuant to stock dividends or stock splits or divisions, the distribution per share of Class A Common Stock must be identical to the distribution per share of Class B Common Stock, except that a dividend or other distribution to holders of Class A Common Stock may be declared and issued in the Corporation’s Class A Common Stock or the Class A Common Stock or substantially equivalent security of a subsidiary or other affiliate of the Corporation (collectively with the Corporation’s Class A Common Stock, “Class A Securities”), and a dividend or other distribution to holders of Class B Common Stock may be declared and issued in either Class A Securities or in the Corporation’s Class B Common Stock or the Class B Common Stock or substantially equivalent security of a subsidiary or other affiliate of the Corporation (collectively with the Corporation’s Class B Common Stock, “Class B Securities”), provided that in each case the number of shares so declared and issued on a per share basis to such holders is the same.

Section 3. Conversion Rights.

The holders of record of Class B Common Stock may, at any time, convert their shares into shares of Class A Common Stock on a share-for-share basis.

Section 4. No Preemptive Rights or Similar Rights.

Shares of Common Stock are not entitled to preemptive rights and are not subject to conversion, redemption or sinking fund provisions.

Section 5. Rights Upon Liquidation or Dissolution.

Upon dissolution, liquidation or winding up of the Corporation, the assets legally available for distribution to shareholders will be distributable ratably among the holders of Common Stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

ARTICLE VI
PREFERENCES, LIMITATION AND
RELATIVE RIGHTS OF PREFERRED SHARES

Section 1. Series A Preferred Stock.

(a) Designation and Amount. The Board of Directors has authorized and designated a series of preferred stock, which has been designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock"). The number of shares constituting the Series A Preferred Stock is 2,000,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease will reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation and convertible into Series A Preferred Stock.

(b) Dividends and Distributions.

(i) Subject to the rights of the holders of any shares of any series of preferred stock ranking prior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of the Common Stock and of any other stock ranking junior to the Series A Preferred Stock (collectively, the "Junior Stock"), will be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, dividends payable in cash (except as otherwise provided below) on such dates as are from time to time established for the payment of dividends on the Common Stock (each such date being referred to herein as a "Dividend Payment Date"), commencing on the first Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock (the "First Dividend Payment Date"), in an amount per share (rounded to the nearest cent) equal to, subject to the provision for adjustment hereinafter set forth, the greater of (i) $1 and (ii) 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends, other than a dividend payable in shares of Class A Securities or Class B Securities, as the case may be, or a subdivision of the outstanding shares of Class A Common Stock or Class B Common Stock, as the case may be (by reclassification or otherwise), declared on the Class A Common Stock and/or Class B Common Stock since the immediately preceding Dividend Payment Date or, with respect to the First Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event that the Corporation at any time (i) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding shares of Common Stock, (iii) combines the outstanding shares of Common Stock into a smaller number of shares or (iv) issues any shares of its capital stock in a reclassification of the outstanding shares of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Corporation is the continuing or surviving corporation), then, in each such case, the amount to which holders of shares of Series A Preferred Stock would otherwise be entitled immediately prior to such event will be correspondingly adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such event.

(ii) The Corporation will declare a dividend on the Series A Preferred Stock as provided in clause (i) above immediately after it declares a dividend on the Class A Common Stock and/or Class B Common Stock (other than a dividend payable in shares of Class A Securities or Class B Securities). Each such dividend on the Series A Preferred Stock will be payable immediately prior to the time at which the related dividend on the Class A Common Stock and/or Class B Common Stock is payable.

(iii) Dividends will accrue, and be cumulative, on outstanding shares of Series A Preferred Stock from the Dividend Payment Date immediately preceding the date of issue of such shares, unless (i) the date of issue of such shares is prior to the record date for the First Dividend Payment Date, in which case dividends on such shares will accrue from the date of the first issuance of a share of Series A Preferred Stock, or (ii) the date of issue is a Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a dividend and before such Dividend Payment Date, in either of which events such dividends will accrue, and be cumulative, from such Dividend Payment Date. Accrued but unpaid dividends will cumulate from the applicable Dividend Payment Date but will not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares will be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date will be not more than 60 calendar days prior to the date fixed for the payment thereof.

(c) Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(i) Subject to the provision for adjustment hereinafter set forth and except as otherwise provided herein or in any amendment hereto, or as otherwise required by Florida law (including with respect to any separate class vote of the holders of Class B Common Stock), each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters upon which the holders of the Common Stock are entitled to vote. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such event. For purposes and in furtherance of Section 1 of Article V, the Class A Common Stock and Series A Preferred Stock shall collectively have the total voting power equaling the Class A Percentage and the number of outstanding shares of Series A Preferred Stock multiplied by a factor of 100 shall be added to the number of outstanding shares of Class A Common Stock for purposes of determining the number of votes that holders of Class B Common Stock shall be entitled to with respect to each share of Class B Common Stock that they hold on all matters presented for a vote of holders of Common Stock (other than any separate class vote required by these Amended and Restated Articles of Incorporation, or any amendment hereto, or by Florida law) until a Final Trigger Event (and in no event shall anything contained in this Article V be deemed to increase the Class A Percentage above the applicable amount set forth in Section 1 of Article V).

(ii) Except as otherwise provided herein or in any amendment hereto creating a series of Preferred Stock or any similar stock, or as otherwise required by Florida law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(iii) Except as otherwise provided herein or in any amendment hereto, or as otherwise required by Florida law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

(d) Restrictions.

(i) Whenever dividends or distributions payable on the Series A Preferred Stock are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding have been paid in full, the Corporation will not:

(1) declare or pay dividends, or make any other distributions, on any shares of Junior Stock;

(2) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the shares of Series A Preferred Stock (such stock, the “Parity Stock”), except dividends paid ratably on the shares of Series A Preferred Stock and all such Parity Stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(3) redeem, purchase or otherwise acquire for consideration shares of any Junior Stock; provided, however, that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such Junior Stock in exchange for shares of any other Junior Stock; or

(4) redeem, purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of Parity Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, may determine in good faith will result in fair and equitable treatment among the respective series or classes.

(ii) The Corporation will not permit any majority-owned subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under clause (d) above, purchase or otherwise acquire such shares at such time and in such manner.

(e) Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever will be retired and canceled promptly after the acquisition thereof. All such shares will upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of another series of preferred stock, subject to the conditions and restrictions on issuance set forth herein or in any amendment hereto creating a series of preferred stock or any similar stock, or as otherwise required by Florida law.

(f) Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution will be made (i) to the holders of shares of Junior Stock unless, prior thereto, the holders of shares of Series A Preferred Stock have received an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment; provided, however, that the holders of shares of Series A Preferred Stock will be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to a minimum per share liquidation payment of $100 but will be entitled to an aggregate per share liquidation payment of 100 times the payment made per share of Common Stock or (ii) to the holders of shares of Parity Stock, except distributions made ratably on the shares of Series A Preferred Stock and all such Parity Stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation at any time (1) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (2) subdivides the outstanding shares of Common Stock, (3) combines the outstanding shares of Common Stock into a smaller number of shares or (4) issues any shares of its capital stock in a reclassification of the outstanding shares of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Corporation is the continuing or surviving corporation), then, in each such case and regardless of whether any shares of Series A Preferred Stock are then issued or outstanding, the aggregate amount to which each holder of shares of Series A Preferred Stock would otherwise be entitled immediately prior to such event will be correspondingly adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such event.

(g) Consolidation, Merger, Etc. In the event that the Corporation enters into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then, in each such case, each outstanding share of Series A Preferred Stock will at the same time be similarly exchanged for or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation at any time (i) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding shares of Common Stock, (iii) combines the outstanding shares of Common Stock into a smaller number of shares or (iv) issues any shares of its capital stock in a reclassification of the outstanding shares of Common Stock (including any such reclassification in connection with a consolidation or merger in which the Corporation is the continuing or surviving corporation), then, in each such case and regardless of whether any shares of Series A Preferred Stock are then issued or outstanding, the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock will be correspondingly adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such event.

(h) No Redemption. The shares of Series A Preferred Stock are not redeemable.

(i) Rank. The Series A Preferred ranks, with respect to the payment of dividends and the distribution of assets, junior to all other series of preferred stock unless the terms of such other series shall so provide otherwise.

(j) Fractional Shares. Series A Preferred Stock may be issued in fractions of a share that shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

(k) Amendment. These Amended and Restated Articles of Incorporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect such stock adversely without the affirmative vote of the holders of at least a majority of the outstanding shares of Series A Preferred Stock, voting together as a single class.

ARTICLE VII
REGISTERED OFFICE AND AGENT

The street address of the registered office of the Corporation is 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida 33301, and the name of the registered agent of the Corporation at that address is Jarett S. Levan.

ARTICLE VIII
INDEMNIFICATION

The Corporation shall indemnify any current or former officer, director, employee or agent of the Corporation, or any person who is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, in each case, to the fullest extent permitted by applicable law. The foregoing right of indemnification shall not be exclusive of any other rights which any officer, director, employee, agent or other person may be entitled as a matter of law or which he may be lawfully granted, including pursuant to any contract or agreement.

ARTICLE IX
AMENDMENTS TO BYLAWS AND ARTICLES OF INCORPORATION

The power to alter, amend or repeal the Corporation's Bylaws shall be vested in each of the Board of Directors and the shareholders of the Corporation, subject to any restrictions under Florida law or expressly set forth in the Bylaws.

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Amended and Restated Articles of Incorporation, or in any amendment hereto, or to add any provision to these Amended and Restated Articles of Incorporation or to any amendment hereto, in any manner now or hereafter prescribed or permitted by Florida law, and all rights conferred upon shareholders, directors, officers and other persons in these Amended and Restated Articles of Incorporation, or in any amendment hereto, are subject to this reservation.

AMENDED AND RESTATED
BYLAWS
OF
BBX CAPITAL CORPORATION

ARTICLE I
SHAREHOLDERS

SECTION 1. PLACE OF MEETINGS. All annual and special meetings of the shareholders of the Corporation shall be held at the place designated by the board of directors and may be held within or without the State of Florida.

SECTION 2. ANNUAL MEETING. A meeting of the shareholders of the Corporation for the election of directors and for the transaction of such other business of the Corporation as may properly come before the meeting shall be held annually at such date and time as the board of directors may determine.

SECTION 3. SPECIAL MEETINGS. Special meetings of the shareholders of the Corporation for any purpose or purposes shall be held when called by (i) the chairman of the board, the president, or a majority of the board of directors, or (ii) the chairman of the board, the president or the secretary upon the written request of the holders of outstanding shares representing not less than fifty percent of the votes entitled to be cast at the meeting. Such written request shall state the purpose of the meeting and shall be delivered at the principal office of the Corporation addressed to the chairman of the board, the president or the secretary. No business other than that stated in the notice of a special meeting shall be transacted thereat.

SECTION 4. CONDUCT OF MEETINGS. Annual and special meetings the shareholders of the Corporation shall be conducted in accordance with rules established from time to time by the board of directors. The board of directors shall designate a chairman to preside at such meetings.

SECTION 5. NOTICE OF MEETING. Written notice stating the date, time and place of the meeting of the shareholders of the Corporation and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the chairman of the board, the president, or the secretary, or the directors calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, addressed to the shareholder at his, her or its address as it appears on the stock transfer books or records of the Corporation as of the record date prescribed in Section 6 of this Article I, with postage thereon prepaid. When any shareholders' meeting, either annual or special, is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the time and place of any meeting adjourned for less than thirty days or of the business to be transacted thereat, other than an announcement at the meeting at which such adjournment is taken.

SECTION 6. FIXING OF RECORD DATE. For the purpose of determining shareholders of the Corporation for any purpose for which a record date is required, including for purposes of determining shareholders entitled to receive notice of, or to vote at, any meeting of shareholders of the Corporation or any adjournment thereof and shareholders entitled to receive payment of any dividend or distribution, the board of directors shall fix in advance a date as the record date for any such determination of shareholders. Such date shall in any case be not more than sixty days and, in the case of a meeting of shareholders, not less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this Section 6, such determination shall apply to any adjournment thereof, unless the fixing of a new record date is required by applicable law.

SECTION 7. VOTING LISTS. The Corporation shall cause to be prepared before each meeting of the shareholders a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares of each class or series of the Corporation's stock held by each shareholder. The list shall be kept on file at the principal office of the Corporation, at a place identified in the notice of meeting in the city where the meeting will be held, or at the office of the Corporation's transfer agent or registrar, and shall be subject to inspection by any shareholder or his, her or its agent or attorney, upon written demand and at his, her or its expense, at any time during usual business hours, for a period of ten days prior to such meeting. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder and his, her or its attorney at any time during the meeting or any adjournment thereof. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

SECTION 8. QUORUM. The outstanding shares of the Corporation representing a majority of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders; provided, however, that when a specified item of business is required to be voted on by a class or series of stock, the outstanding shares representing a majority of the votes entitled to be cast by such class or series, represented in person or by proxy, shall constitute a quorum for the transaction of such item of business by that class or series. If outstanding shares representing less than a majority of the votes entitled to be cast are represented at a meeting, holders of shares representing a majority of the votes entitled to be cast so represented may adjourn the meeting from time to time without further notice. Provided a quorum is present at such adjourned meeting, any business may be transacted at the adjourned meeting which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting at which a quorum was present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

SECTION 9. PROXIES. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Proxies solicited on behalf of management, including the board of directors, shall be voted as directed by the shareholder or, in the absence of such direction, as determined by the board of directors. No proxy shall be valid after eleven months from the date of its execution except for a proxy coupled with an interest.

SECTION 10. VOTING OF SHARES IN THE NAME OF TWO OR MORE PERSONS. When ownership stands in the name of two or more persons, in the absence of written directions to the Corporation to the contrary, at any meeting of the shareholders of the Corporation, any one or more of such shareholders may cast, in person or by proxy, all votes to which such ownership is entitled. In the event an attempt is made to cast conflicting votes, in person or by proxy, by the several persons in whose names shares of stock stand, the vote or votes to which those persons are entitled shall be cast as directed by a majority of those holding such stock and present in person or by proxy at such meeting, but no votes shall be cast for such stock if a majority cannot agree.

SECTION 11. VOTING OF SHARES BY CERTAIN HOLDERS. Shares standing in the name of another corporation may be voted by any officer, agent or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine. Shares held by an administrator, executor, guardian or conservator may be voted by such administrator, executor, guardian or conservator, either in person or by proxy, without a transfer of such shares into the name of such administrator, executor, guardian or conservator. Shares standing in the name of a trustee may be voted by such trustee, either in person or by proxy, but no trustee shall be entitled to vote shares held by such trustee without a transfer of such shares into his name. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into the name of such receiver if authority to do so is contained in an appropriate order of the court or other public authority by which such receiver is appointed. A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred. Neither treasury shares of its own stock held by the Corporation, nor shares held by another corporation, if a majority of the shares entitled to vote for the election of directors of such other corporation are held by the Corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting.

SECTION 12. ACTION BY WRITTEN CONSENT OF SHAREHOLDERS. Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting, without prior notice and without a vote if consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares representing not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Within ten days after obtaining such authorization by written consent, notice shall be given to those shareholders who have not consented in writing to the action. The notice shall fairly summarize the material features of the authorized action and, if the action is of a type for which appraisal rights are provided for by applicable law, the notice shall contain a clear statement of the right of shareholders who exercise and perfect appraisal rights in compliance with applicable law to be paid the fair value of their shares as determined in accordance with such law.

SECTION 13. INSPECTORS OF ELECTION. In advance of any meeting of shareholders, the board of directors may appoint any persons other than nominees for office as inspectors of election to act at such meeting or any adjournment thereof. The number of inspectors shall be either one or three. If the board of directors so appoints either one or three such inspectors, that appointment shall not be altered at the meeting. If inspectors of election are not so appointed, the chairman of the board or the president may, and on the request of holders of shares representing not less than ten percent of the votes represented at the meeting shall, make such appointment at the meeting. If appointed at the meeting, the holders of shares representing a majority of the votes present shall determine whether one or three inspectors are to be appointed. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment by the board of directors in advance of the meeting or at the meeting by the chairman of the board or the president. The duties of such inspector(s) shall include: determining the number of shares of stock and the votes represented thereby; the existence of a quorum; the authenticity, validity and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining the result; and such other acts as may be proper to conduct the election or vote with fairness to all shareholders.

SECTION 14. NOMINATION OF DIRECTORS.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as otherwise provided in the Corporation's Articles of Incorporation (as amended and/or restated from time to time) or by applicable law. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors, (i) by or at the direction of the board of directors (or any duly authorized committee thereof) or (ii) by any shareholder of the Corporation (A) who is a shareholder of record on the date of the giving of the notice provided for in this Section 14 and on the record date for the determination of shareholders entitled to vote at such meeting and (B) who complies with the notice procedures set forth in this Section 14. In addition to any other applicable requirements, for a nomination to be made by a shareholder pursuant to clause (ii) of this Section 14(a), such shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation.

(b) To be timely, a shareholder's notice to the secretary pursuant to clause (ii) of Section 14(a) must be delivered to or mailed and received at the principal office of the Corporation (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth day following the date on which such notice of the date of the annual meeting is mailed or such public disclosure of the date of the annual meeting is made, whichever first occurs, or (ii) in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth day following the date on which notice of the date of the special meeting is mailed or public disclosure of the date of the special meeting is made, whichever first occurs.

(c) To be in proper written form, a shareholder's notice to the secretary pursuant to clause (ii) of Section 14(a) must set forth (i) as to each person whom the shareholder proposes to nominate for election as a director, (A) the name, age, and business and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of stock of the Corporation which are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, including Section 14 thereof, and (ii) as to the shareholder giving the notice, (A) the name and record address of such shareholder, (B) the class or series and number of shares of stock of the Corporation which are owned beneficially or of record by such shareholder (and the written notice must be accompanied by evidence reasonably satisfactory to the secretary of such beneficial ownership), (C) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder, (D) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the persons named in the notice and (E) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors pursuant to the Exchange Act and the rules and regulations promulgated thereunder, including Section 14 thereof.

(d) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 14. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, then the chairman of the meeting shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

SECTION 15. NEW BUSINESS.

(a) To be properly brought before any annual meeting of shareholders, business must be either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors (or any duly authorized committee thereof), (ii) otherwise properly brought before the meeting by or at the direction of the board of directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before the meeting by any shareholder of the Corporation (A) who is a shareholder of record on the date of the giving of the notice provided for in this Section 15 and on the record date for the determination of shareholders entitled to vote at such meeting and (B) who complies with the notice procedures set forth in this Section 15. In addition to any other applicable requirements, including, but not limited to, the requirements of Rule 14a-8 promulgated by the Securities and Exchange Commission under the Exchange Act, for business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) of this Section 15(a), such shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation.

(b) To be timely, a shareholder’s notice to the secretary pursuant to clause (iii) of Section 15(a) must be delivered to or mailed and received at the principal office of the Corporation, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth day following the date on which such notice of the date of the annual meeting is mailed or such public disclosure of the date of the annual meeting is made, whichever first occurs.

(c) To be in proper written form, a shareholder’s notice to the secretary pursuant to clause (iii) of Section 15(a) must set forth as to each matter such shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and record address of such shareholder, (iii) the class or series and number of shares of stock of the Corporation which are owned beneficially or of record by such shareholder (and the written notice must be accompanied by evidence reasonably satisfactory to the secretary of such beneficial ownership), (iv) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business, (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting and (vi) any material interest of the shareholder proposing to bring such business before such meeting (or any other shareholders known to be supporting such proposal) in such proposal.

(d) Notwithstanding anything in these Bylaws (as amended and/or restated from time to time) to the contrary, no business shall be conducted at the annual meeting of shareholders except business brought before such meeting in accordance with the procedures set forth in this Section 15; provided, however, that, once business has been properly brought before such meeting in accordance with such procedures, nothing in this Section 15 shall be deemed to preclude discussion by any shareholder of any such business. If the chairman of such meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, then the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted. For the avoidance of doubt, if the election of directors is to be acted upon at a meeting of the shareholders, the process and procedures for nominating directors shall not be governed by this Section 15, but rather by Section 14 above.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of its board of directors. The board of directors shall elect a chairman of the board from among its members and may select a vice chairman of the board from among its members. The chairman of the board and vice chairman of the board need not be officers of the Corporation. The chairman of the board (or, in the absence of the chairman of the board, the vice chairman of the board or, in his absence, any other member of the board selected by a majority of the directors then present) shall preside at board of director meetings.

SECTION 2. MEMBERS AND TERMS. The board of directors shall consist of no less than three and no more than sixteen directors. The specific number of directors serving from time to time on the board of directors shall be set from time to time by resolution of the board of directors. Each director elected or appointed to the board of directors shall serve for a term expiring at the Corporation’s next annual meeting of shareholders.

SECTION 3. QUALIFICATION. Directors need not be shareholders of the Corporation nor residents of the State of Florida.

SECTION 4. REGULAR AND SPECIAL MEETINGS. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors or by the chairman of the board.

Special meetings of the board of directors may be called by or at the request of the chairman of the board or at least one-third of the directors. Written notice of any special meeting shall be given to each director at least two days prior to the meeting, if delivered personally or by facsimile transmission or e-mail, or at least five days prior to the meeting, if delivered by mail at the address at which the director is most likely to be reached. Such notice shall be deemed to be delivered when deposited in the U.S. mail so addressed with postage thereon prepaid if mailed or when delivered if transmitted via facsimile or e-mail.

Any director may waive notice of any meeting by a writing filed with the secretary. The attendance of a director at a meeting shall constitute waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The purpose of any meeting of the board of directors need not be specified in the notice or waiver of notice of such meeting.

Members of the board of directors may participate in special meetings by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other.

SECTION 5. QUORUM. A majority of the number of directors then serving on the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to without notice other than announcement at the meeting.

SECTION 6. MANNER OF ACTING. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless a greater number is prescribed by the Corporation’s Articles of Incorporation or these Bylaws (in each case, as amended and/or restated from time to time) or applicable law.

SECTION 7. ACTION WITHOUT A MEETING. Any action required or permitted to be taken by the board of directors at any meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors. The written consent shall be filed with the minutes of proceedings of the board of directors.

SECTION 8. RESIGNATION. Any director may resign at any time by sending a written notice of such resignation to the principal office of the Corporation addressed to the chairman of the board or the president. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the chairman of the board or the president.

SECTION 9. VACANCIES. Any vacancy occurring in the board of directors may be filled only by the affirmative vote of a majority of the remaining directors although less than a quorum of the board of directors, or by a sole remaining director.

SECTION 10. COMPENSATION. Directors and members of standing and special committees of the board of directors, as such, may receive such compensation for their services as may be determined by the board of directors. Directors and members of standing and special committees of the board of directors may also be reimbursed for their reasonable expenses of attending any regular or special meeting of the board of directors or such committees.

SECTION 11. PRESUMPTION OF ASSENT. A director or member of a standing or special committee of the board of directors who is present at a meeting of the board of directors or the applicable committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto.

SECTION 12. ADVISORY DIRECTORS. The board of directors may appoint advisory directors to the board, who shall have such authority and receive such compensation and reimbursement as the board of directors shall provide; provided, however, that advisory directors shall not have the authority to participate by vote in the transaction of business.

SECTION 13. CONFLICTS OF INTEREST. No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if (a) the fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors, or (b) the fact of such relationship or interest is disclosed or known to the shareholders entitled to vote on or consent to the contract or transaction, if applicable, and the shareholders approve the contract or transaction by vote or written consent, or (c) the contract or transaction is fair and reasonable as to the Corporation at the time it is authorized by the board of directors, a committee of the board of directors or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

SECTION 14. EXECUTIVE AND OTHER COMMITTEES. The board of directors may designate from among its members an executive committee and one or more other committees, including an audit committee, compensation committee and nominating/corporate governance committee, each comprised of at least two members and having the authority approved by the board of directors, subject to any restrictions on such authority as provided by applicable law. The board of directors may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee. The provisions of this Article II regarding meetings of the board of directors, and notice, waiver of notice, quorum and voting requirements applicable thereto, including actions without a meeting, shall apply to committees and their members to the same extent as they apply to the board of directors and its members.

ARTICLE III
OFFICERS

SECTION 1. POSITIONS. The board of directors shall designate and appoint such officers of the Corporation as the board of directors determines to be necessary or advisable from time to time, which may include, without limitation, an executive chairman, an executive vice chairman, a chief executive officer, a president, a chief financial officer, a chief accounting officer, a secretary, a treasurer, one or more assistant secretaries or treasurers, and one or more vice presidents (including executive and/or senior vice presidents). The officers shall have such authority and perform such duties as the board of directors may from time to time authorize or determine. In the absence of action by the board of directors, the officers shall have such powers and duties as generally pertain to their respective offices.

SECTION 2. APPOINTMENT AND TERM OF OFFICE. The officers of the Corporation shall be appointed annually at the first meeting of the board of directors after each annual meeting of the shareholders. If the appointment of officers is not held at such meeting, such appointment shall occur as soon thereafter as possible. Each officer shall hold office until his successor shall have been duly elected and qualified or until his death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Appointment of an officer, employee or agent shall not in and of itself create contract rights.

SECTION 3. REMOVAL. Any officer may be removed by the board of directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal, other than for cause, shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

SECTION 5. REMUNERATION. The remuneration of the officers shall be fixed from time to time by the board of directors (or any authorized committee thereof).

ARTICLE IV
CONTRACTS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. Except as otherwise prescribed by these Bylaws (as amended and/or restated from time to time) with respect to certificates for shares (if any), the board of directors may authorize any officer, employee or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by one or more officers, employees or agents of the Corporation in such manner as shall from time to time be determined by the board of directors.

SECTION 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in any of its duly authorized depositories as the board of directors may select or authorize.

ARTICLE V
SHARES OF STOCK AND THEIR TRANSFER

SECTION 1. STOCK CERTIFICATES AND UNCERTIFICATED SHARES. Shares of capital stock of the Corporation may, but need not unless required by applicable law or authorized by the board of directors, be represented by certificates; provided that the foregoing shall not affect shares of stock already represented by certificates until and unless said certificates are surrendered to the Corporation or its transfer agent. If represented by a certificate, each certificate shall be in such form as shall be determined by the board of directors, shall be signed by the chief executive officer or by any other officer of the Corporation authorized by the board of directors, attested by the secretary or an assistant secretary, and may be sealed with the corporate seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimiles to the extent permitted by applicable law. Each certificate for shares of capital stock shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares are issued, with the number or shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificate may be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in the case of a lost or destroyed certificate, a new certificate may, but need not, be issued therefor upon such terms and indemnity to the Corporation as the board of directors may prescribe. Within a reasonable time after the issuance or transfer of shares without certificates, the Corporation shall send, or cause to be sent, to the holder thereof a written statement of the information required on certificates of stock by applicable law or these Bylaws (as amended and/or restated from time to time).

SECTION 2. TRANSFER OF SHARES. Transfers of shares of capital stock of the Corporation shall be made only on its stock transfer books. Authority for such transfer shall be given only by the holder of record thereof or by his legal representative, who shall furnish evidence of such authority, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Corporation. If the shares to be transferred are represented by certificates, such transfer shall be made only on surrender for cancellation of the certificate(s) for such shares. The person in whose name shares of capital stock stand on the books of the Corporation shall be deemed by the Corporation to be the owner therefor for all purposes and the Corporation shall not be bound to recognize any equitable or other claim to interest in such capital stock on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as otherwise provided by applicable law.

ARTICLE VI
BOOKS AND RECORDS

SECTION 1. MAINTENANCE OF BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board of directors and committees of the board of directors. The Corporation shall keep at its registered office or principal place of business or at the office of its transfer agent a record of its shareholders, giving the names and addresses of all shareholders and the number, class and series of the shares held by each. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

SECTION 2. SHAREHOLDER INSPECTION RIGHTS. Shareholders shall have such inspection rights as are specifically granted under applicable law.

ARTICLE VII
FISCAL YEAR

Unless otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on the 31st day of December of each year.

ARTICLE VIII
DIVIDENDS AND DISTRIBUTIONS

Subject to the terms of the Corporation’s Articles of Incorporation (as amended and/or restated from time to time), the board of directors may, from time to time, declare dividends or distributions on outstanding shares of stock of the Corporation to be paid or distributed by the Corporation.

ARTICLE IX
CORPORATE SEAL

The board of directors may adopt a corporate seal for the Corporation. Any corporate seal shall have inscribed thereon the name of the Corporation and the words “Corporate Seal, Florida” and may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced on any document. Except as otherwise provided by applicable law, the failure to affix any corporate seal of the Corporation to a document shall not affect the validity thereof.

ARTICLE X
AMENDMENTS

These Bylaws may be amended or repealed, and new bylaws may be adopted, by action of either the shareholders or the board of directors; provided, however, that the shareholders, in amending or repealing any bylaw or a particular bylaw provision, may provide expressly that the board of directors may not amend or repeal such bylaw or bylaw provision.

ARTICLE XI
EXCLUSIVE VENUE FOR CERTAIN LITIGATION

Unless a majority of the board of directors, acting on behalf of the Corporation, consents in writing to the selection of an alternative forum, the Circuit Court located in Miami-Dade County, Florida (or, if such Circuit Court does not have jurisdiction, another Circuit Court located within the State of Florida or, if no Circuit Court located within the State of Florida has jurisdiction, the federal district court for the Southern District of Florida) shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's shareholders, (iii) any action asserting a claim against the Corporation or any of its directors, officers or other employees arising pursuant to any provision of the Florida Business Corporation Act (or any successor statute), the Corporation's Articles of Incorporation or these Bylaws (in each case, as amended and/or restated from time to time), or (iv) any action asserting a claim against the Corporation or any of its directors, officers or other employees governed by the internal affairs doctrine of the State of Florida (each, a "Covered Proceeding"), in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over all indispensible parties named as defendants. If any Covered Proceeding is filed in a court other than a court located within the State of Florida (a "Foreign Action") in the name of any shareholder, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Florida in connection with any action brought in any such court to enforce the provisions of the immediately preceding sentence (an "Enforcement Action") and (ii) having service of process made upon such shareholder in any such Enforcement Action by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder.

ARTICLE XII
INDEMNIFICATION

Subject to the terms of the Corporation's Articles of Incorporation (as amended and/or restated from time to time), the Corporation shall indemnify any current or former officer, director, employee or agent of the Corporation, or any person who is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, in each case, to the fullest extent permitted by applicable law; said indemnification to include, but not be limited to, the expenses, including the cost of any judgments, fines, settlements and counsel fees, actually paid or incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, and any appeals thereof, to which any such person or his or her legal representative may be made a party or may be threatened to be made a party by reason of his being or having been a director, officer, employee or agent as herein provided. The foregoing right of indemnification shall not be exclusive of any other rights which any director, officer, employee, agent or other person may be entitled as a matter of law or which he or she may be lawfully granted, including pursuant to any contract or agreement.

Exhibit 10.2

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement"), dated as of _______, 2020, is by and among BBX Capital Corporation, a Florida corporation ("Parent"), and BBX Capital Florida LLC, a Florida limited liability company ("New BBX Capital"). Each of Parent and New BBX Capital is sometimes referred to herein as a "Party" and, collectively, as the "Parties."

RECITALS

WHEREAS, the Board of Directors of Parent has determined that it is advisable and in the best interests of Parent and its shareholders that New BBX Capital, which is currently a wholly owned subsidiary of Parent and holds (or in accordance with the terms of the Separation Agreement will hold) the subsidiaries and investments which comprise or operate the New BBX Capital Business, be converted into a Florida corporation and become a separate, public company through the spin-off of New BBX Capital, with Parent retaining the Bluegreen Business and continuing as a public company and "pure play" Bluegreen holding company;

WHEREAS, in furtherance of the foregoing, on the date hereof, Parent and New BBX Capital have entered into the Separation Agreement pursuant to which, subject to the terms and conditions thereof, the assets and liabilities of the Bluegreen Business will be separated from those of the New BBX Capital Business (the "Separation") and thereafter Parent will distribute 100% of the issued and outstanding shares of New BBX Capital Common Stock pro rata to holders of Parent Common Stock (the "Distribution" and, collectively with the Separation, the "Spin-Off"), all as more fully described in the Separation Agreement;

WHEREAS, in connection with the Spin-Off, the Parties wish to provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes;

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 General. As used in this Agreement, the following terms shall have the following meanings:

"Accounting Firm" has the meaning set forth in Section 7.01.

"Adjustment" means an adjustment of any item of income, gain, loss, deduction, credit or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Ancillary Agreement" has the meaning set forth in the Separation Agreement.

"Bluegreen Business" has the meaning set forth in the Separation Agreement.

"Carryback" has the meaning set forth in Section 4.02.

"Code" means the Internal Revenue Code of 1986, as amended.

“Common Parent” means the “common parent corporation” of an “affiliated group” (in each case, within the meaning of Section 1504 of the Code) filing a U.S. federal consolidated Income Tax Return.

“Covered Taxes” has the meaning set forth in the Transition Services Agreement.

“Distribution” has the meaning set forth in the recitals to this Agreement.

“Distribution Date” has the meaning set forth in the Separation Agreement.

“Due Date” means (a) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law and (b) with respect to a payment of Taxes, the date on which such payment is required to be made to the applicable Taxing Authority to avoid the incurrence of interest, penalties and/or additions to Tax.

“Employee Matters Agreement” means the Employee Matters Agreement by and among the Parties dated as of the date hereof.

“Extraordinary Transaction” means any action that is not in the Ordinary Course of Business, but shall not include (a) any action described in or contemplated by the Separation Agreement or any Ancillary Agreement, (b) any action that is otherwise undertaken in connection with the Spin-Off, or (c) any compensatory payment or compensatory transfer in respect of services made as a result of, or in connection with, the Spiin-Off (which shall be treated as paid immediately before the Distribution on the Distribution Date).

“Final Determination” means the final resolution of liability for any Tax for any taxable period by or as a result of (a) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed to a court other than the Supreme Court of the United States, (b) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Laws of other jurisdictions, which resolves the entire Tax liability for any taxable period, (c) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered by the jurisdiction imposing the Tax, or (d) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

“Group” of which a Person is a member means (i) the Parent Group if the Person is a member of the Parent Group, and (ii) the New BBX Capital Group if the Person is a member of the New BBX Capital Group.

“Income Tax Return” means any Tax Return on which Income Taxes are reflected or reported.

“Income Taxes” means any net income, net receipts, net profits, excess net profits or similar Taxes based upon, measured by, or calculated with respect to net income.

“Indemnified Party” means the Party which is entitled to seek indemnification from the other Party pursuant to the provisions of Article III.

“Indemnifying Party” means the Party from which the other Party is entitled to seek indemnification pursuant to the provisions of Article III.

“Information” has the meaning set forth in Section 6.01(a).

“IRS” means the U.S. Internal Revenue Service.

“Law” means any U.S. or non-U.S. federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, administrative pronouncement, order, requirement or rule of law (including common law).

"Mixed Business Income Tax Return" means any Mixed Business Tax Return on which Income Taxes are reflected or reported.

"Mixed Business Tax Return" means any Tax Return (other than a Parent Consolidated Return), including any consolidated, combined or unitary Tax Return, that reflects or reports Taxes that relate to at least one asset or activity that is part of the Bluegreen Business, on the one hand, and at least one asset or activity that is part of the New BBX Capital Business, on the other hand.

"New BBX Capital" has the meaning set forth in the preamble to this Agreement.

"New BBX Capital Business" has the meaning set forth in the Separation Agreement.

"New BBX Capital Common Stock" has the meaning set forth in the Separation Agreement.

"New BBX Capital Entity" means any Subsidiary of New BBX Capital immediately after the Distribution.

"New BBX Capital Group" means, individually or collectively, as the case may be, New BBX Capital and any New BBX Capital Entity.

"New BBX Capital Taxes" means, without duplication, (a) any Taxes of (i) Parent or any Subsidiary or former Subsidiary of Parent attributable to assets or activities of the New BBX Capital Business, as determined pursuant to Section 2.09 or (ii) New BBX Capital or any Subsidiary of New BBX Capital and (b) any Taxes attributable to an Extraordinary Transaction occurring after the Distribution on the Distribution Date by New BBX Capital or a New BBX Capital Entity.

"Ordinary Course of Business" means an action taken by a Person only if such action is taken in the ordinary course of the normal operations of such Person, consistent with past practice.

"Parent" has the meaning set forth in the preamble to this Agreement.

"Parent Common Stock" has the meaning set forth in the Separation Agreement.

"Parent Consolidated Return" means the U.S. federal Income Tax Return required to be filed by Parent as the Common Parent.

"Parent Consolidated Taxes" means any U.S. federal Income Taxes attributable to any Parent Consolidated Return.

"Parent Entity" means any Subsidiary of Parent immediately after the Distribution.

"Parent Group" means, individually or collectively, as the case may be, Parent and any Parent Entity, excluding any member of the New BBX Capital Group.

"Parent Taxes" means, without duplication, (a) any Parent Consolidated Taxes, (b) any Taxes imposed on New BBX Capital or any member of the New BBX Capital Group under Treasury Regulations Section 1.1502-6 (or any similar provision of other Law) as a result of New BBX Capital or any such member being or having been included as part of a Parent Consolidated Return (or similar consolidated or combined Tax Return under any other provision of Law), (c) any Taxes of the Parent Group and any former Subsidiary of Parent (excluding any member of the New BBX Capital Group) for any Pre-Closing Period, (d) any Parent Transaction Taxes, and (e) any Transfer Taxes, in each case (x) other than New BBX Capital Taxes and (y) including any Taxes resulting from an Adjustment.

"Parent Transaction Taxes" means any Taxes (a) imposed on or by reason of the Separation or the Distribution and (b) payable by reason of the distribution of cash or other property from New BBX Capital to Parent (in each case, including Transfer Taxes imposed on such transactions described in (a) and (b)). For the avoidance of doubt, Parent Transaction Taxes include, without limitation, Taxes payable by reason of deferred intercompany transactions or excess loss accounts triggered by the Separation or the Distribution.

“Party” and “Parties” have the meaning set forth in the preamble to this Agreement.

“Past Practice” means past practices, accounting methods, elections and conventions.

“Person” has the meaning set forth in the Separation Agreement.

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the Distribution Date, including for the avoidance of doubt, the portion of any Straddle Period beginning on the day after the Distribution Date.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or before the Distribution Date, including for the avoidance of doubt, the portion of any Straddle Period ending at the end of the day on the Distribution Date.

“Preparing Party” has the meaning set forth in Section 2.04(a)(ii).

“Privilege” means any privilege that may be asserted under applicable Law, including any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

“Refund” means any refund (or credit in lieu thereof) of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied to other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that for purposes of this Agreement, the amount of any Refund required to be paid to another Party shall be reduced by the net amount of any Income Taxes imposed on, related to, or attributable to, the receipt or accrual of such Refund.

“Retention Period” has the meaning set forth in Section 6.02.

“Reviewing Party” has the meaning set forth in Section 2.04(a)(ii).

“Separation” has the meaning set forth in the recitals to this Agreement.

“Separation Agreement” means the Separation and Distribution Agreement by and among Parent and New BBX Capital dated as of the date hereof.

“Single Business Return” means any Tax Return, including any consolidated, combined or unitary Tax Return, that reflects or reports Tax Items relating only to the Bluegreen Business, on the one hand, or the New BBX Capital Business, on the other (but not both).

“Single Business Return Preparing Party” has the meaning set forth in Section 2.04(b).

“Single Business Return Reviewing Party” has the meaning set forth in Section 2.04(b).

“Straddle Period” means any taxable period that begins on or before the Distribution Date and ends after the Distribution Date.

“Subsidiary” means, with respect to any Person (a) a corporation more than fifty percent (50%) of the voting or capital stock of which is owned, directly or indirectly, by such Person or (b) a limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity in which such Person, directly or indirectly, owns more than fifty percent (50%) of the equity economic interests thereof or for which such Person, directly or indirectly, has the power to elect or direct the election of more than fifty percent (50%) of the members of the governing body or which such Person otherwise has control (e.g., as the managing partner or managing member of a partnership or limited liability company, as the case may be).

“Tax” means (a) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any U.S. federal, state or local or foreign governmental authority, including net income, gross income, gross receipts, excise, real property, personal property, sales, use, service, service use, license, lease, capital stock, transfer, recording, franchise, business organization, occupation, premium, environmental, windfall profits, profits, customs, duties, payroll, wage, withholding, social security, employment, unemployment, insurance, severance, workers compensation, excise, stamp, alternative minimum, estimated, value added, ad valorem, hospitality, accommodations, transient accommodations, unclaimed property, escheat and other taxes, charges, fees, duties, levies, imposts, or other similar assessments, (b) any interest, penalties or additions attributable thereto and (c) all liabilities in respect of any items described in clauses (a) or (b) payable by reason of assumption, transferee or successor liability, operation of Law or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law).

“Tax Attributes” means net operating losses, capital losses, tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, previously taxed income, tax bases, separate limitation losses and any other losses, deductions, credits or other comparable items that could affect a Tax liability for a past or future taxable period.

“Tax Benefit” means any refund, credit, or other reduction in Tax payments otherwise required to be made to a Taxing Authority, including for the avoidance of doubt, any actual Tax savings if, as and when realized arising from a step-up in Tax basis or an increase in a Tax Attribute.

“Tax Cost” means any increase in Tax payments otherwise required to be made to a Taxing Authority (or any reduction in any refund otherwise receivable from any Taxing Authority).

“Tax Group” means the members of a consolidated, combined, unitary or other tax group (determined under applicable U.S., state or foreign Income Tax law) which includes Parent or New BBX Capital, as the context requires, but for the avoidance of doubt, (i) Parent’s Tax Group does not include any members of the New BBX Capital Group and (ii) New BBX Capital’s Tax Group does not include any members of the Parent Group.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other item which increases or decreases Taxes paid or payable.

“Tax Matter” has the meaning set forth in Section 6.01(a).

“Tax Proceeding” means any audit, assessment of Taxes, pre-filing agreement, other examination by any Taxing Authority, proceeding, appeal of a proceeding or litigation relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations.

“Tax Return” means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) required to be supplied to, or filed with, a Taxing Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax and any amended Tax return or claim for refund.

“Taxing Authority” means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

“Transfer Taxes” means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed on Separation or the Distribution.

“Transition Services Agreement” means the Transition Services Agreement by and among the Parties dated as of the date hereof.

“Treasury Regulations” means the final and temporary (but not proposed) Income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"U.S." means the United States of America.

Section 1.02 Additional Definitions. Any other capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Separation Agreement.

ARTICLE II

PREPARATION, FILING AND PAYMENT OF TAXES SHOWN DUE ON TAX RETURNS

Section 2.01 Parent Consolidated Returns.

(a) Parent Consolidated Returns. Parent shall prepare and file all Parent Consolidated Returns for a Pre-Closing Period or a Straddle Period, and shall pay all Taxes shown to be due and payable on such Tax Returns; provided that New BBX Capital shall reimburse Parent for any such Taxes that are New BBX Capital Taxes.

(b) Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, for all Tax purposes, the Parties shall report any Extraordinary Transactions that are caused or permitted by New BBX Capital or any New BBX Capital Entity on the Distribution Date after the Distribution as occurring on the day after the Distribution Date pursuant to Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) or any similar or analogous provision of state, local or foreign Law.

Section 2.02 Mixed Business Tax Returns.

(a) Subject to Section 2.02(b), Parent shall prepare (or cause a Parent Entity to prepare) and Parent, a Parent Entity or New BBX Capital shall file (or cause to be filed) any Mixed Business Tax Returns for a Pre-Closing Period or a Straddle Period and shall pay, or cause such Parent Entity to pay, all Taxes shown to be due and payable on such Tax Returns; provided that New BBX Capital shall reimburse Parent for any such Taxes that are New BBX Capital Taxes.

(b) New BBX Capital shall prepare and file (or cause a New BBX Capital Entity to prepare and file) any Mixed Business Tax Returns for a Pre-Closing Period or a Straddle Period required to be filed by New BBX Capital or a New BBX Capital Entity after the Distribution Date, and New BBX Capital shall pay, or cause such New BBX Capital Entity to pay, all Taxes shown to be due and payable on such Tax Returns; provided that Parent shall reimburse New BBX Capital for any such Taxes that are Parent Taxes.

Section 2.03 Single Business Returns.

(a) Parent shall prepare and file (or cause a Parent Entity to prepare and file) any Single Business Returns for a Pre-Closing Period or a Straddle Period that reflects or reports Tax Items relating only to the Bluegreen Business and shall pay, or cause such Parent Entity to pay, all Taxes shown to be due and payable on such Tax Returns; provided that New BBX Capital shall reimburse Parent for any such Taxes that are New BBX Capital Taxes.

(b) New BBX Capital shall prepare and file (or cause a New BBX Capital Entity to prepare and file) any Single Business Returns for a Pre-Closing Period or a Straddle Period that reflects or reports Tax Items relating only to the New BBX Capital Business and shall pay, or cause such New BBX Capital Entity to pay, all Taxes shown to be due and payable on such Tax Returns; provided that Parent shall reimburse New BBX Capital for any such Taxes that are Parent Taxes.

Section 2.04 Tax Return Procedures.

(a) Procedures relating to Tax Returns other than Single Business Returns.

(i) Parent Consolidated Returns. With respect to all Parent Consolidated Returns for the taxable year which includes the Distribution Date, Parent shall use the closing of the books method under (A) Treasury Regulation Section 1.1502-76 (including adopting the "end of the day rule" described therein) and (B) Section 382 of the Code and any applicable Treasury Regulations promulgated thereunder. To the extent that the positions taken on any Parent Consolidated Tax Return would reasonably be expected to materially adversely affect the Tax position of New BBX Capital or a New BBX Capital Entity for any period after the Distribution Date, Parent shall prepare the portions of such Tax Return that relates to the New BBX Capital Business in a manner that is consistent with Past Practice unless otherwise required by applicable Law or agreed to in writing by the Parties, and shall provide a draft of such portion of such Tax Return to New BBX Capital for its review and comment at least thirty (30) days prior to the Due Date for such Tax Return, provided, however, that nothing herein shall prevent Parent from timely filing any such Tax Return. In the event that Past Practice is not applicable to a particular item or matter, Parent shall determine the reporting of such item or matter in good faith. The Parties shall negotiate in good faith to resolve all disputed issues. Any disputes that the Parties are unable to resolve shall be resolved by the Accounting Firm pursuant to Section 7.01. In the event that any dispute is not resolved (whether pursuant to good faith negotiations among the Parties or by the Accounting Firm) prior to the Due Date for the filing of any such Tax Return, such Tax Return shall be timely filed by Parent and Parent agrees to amend such Tax Return as necessary to reflect the resolution of such dispute in a manner consistent with such resolution.

(ii) Mixed Business Tax Returns. To the extent that the positions taken on any Mixed Business Tax Return would reasonably be expected to materially adversely affect the Tax position of the party other than the party that is required to prepare and file any such Tax Return pursuant to Section 2.02 (the "Reviewing Party") in any Post-Closing Period, the party required to prepare and file such Tax Return (the "Preparing Party") shall prepare the portions of such Tax Return that relates to the business of the Reviewing Party (the New BBX Capital Business or the Bluegreen Business, as the case may be) in a manner that is consistent with Past Practice unless otherwise required by applicable Law or agreed to in writing by the Parties, and shall provide a draft of such portion of such Tax Return to the Reviewing Party for its review and comment at least thirty (30) days prior to the Due Date for such Tax Return, provided, however, that nothing herein shall prevent the Preparing Party from timely filing any such Tax Return. In the event that Past Practice is not applicable to a particular item or matter, the Preparing Party shall determine the reporting of such item or matter in good faith. The Parties shall negotiate in good faith to resolve all disputed issues. Any disputes that the Parties are unable to resolve shall be resolved by the Accounting Firm pursuant to Section 7.01. In the event that any dispute is not resolved (whether pursuant to good faith negotiations among the Parties or by the Accounting Firm) prior to the Due Date for the filing of any such Tax Return, such Tax Return shall be timely filed by the Preparing Party and the Parties agree to amend such Tax Return as necessary to reflect the resolution of such dispute in a manner consistent with such resolution.

(b) Procedures relating to Single Business Returns. The Party that is required to prepare and file any Single Business Return pursuant to Section 2.03 (the "Single Business Return Preparing Party") which reflects Taxes which are reimbursable by the other Party (the "Single Business Return Reviewing Party"), in whole or in part, shall (x) unless otherwise required by Law or agreed to in writing by the Single Business Return Reviewing Party, prepare such Tax Return in a manner consistent with Past Practice to the extent such items affect the Taxes for which the Single Business Return Reviewing Party is responsible pursuant to this Agreement, and (y) submit to the Single Business Return Reviewing Party a draft of any such Tax Return (or to the extent practicable the portion of such Tax Return that relates to Taxes for which the Single Business Return Reviewing Party is responsible pursuant to this Agreement) along with a statement setting forth the calculation of the Tax shown due and payable on such Tax Return reimbursable by the Single Business Return Reviewing Party under Section 2.03 at least thirty (30) days prior to the Due Date for such Tax Return; provided, however, that nothing herein shall prevent the Single Business Return Preparing Party from timely filing any such Single Business Return. The Parties shall negotiate in good faith to resolve all disputed issues. Any disputes that the Parties are unable to resolve shall be resolved by the Accounting Firm pursuant to Section 7.01. In the event that any dispute is not resolved (whether pursuant to good faith negotiations among the Parties or by the Accounting Firm) prior to the Due Date for the filing of any Single Business Return, such Single Business Return shall be timely filed by the Single Business Return Preparing Party and the Parties agree to amend such Single Business Return as necessary to reflect the resolution of such dispute in a manner consistent with such resolution.

Section 2.05 Amended Returns. Except as provided in Section 2.04 to reflect the resolution of any dispute by the Accounting Firm pursuant to Section 7.01, (a) except with the prior written consent of Parent (such consent not to be unreasonably withheld, delayed or conditioned), New BBX Capital shall not, and shall not permit any New BBX Capital Entity to, amend any Tax Return of New BBX Capital or any New BBX Capital Entity for any Pre-Closing Period or Straddle Period to the extent such amendment could reasonably be expected to result in an indemnification obligation on the part of Parent pursuant to Article III or otherwise increase the Taxes of any member of the Parent Group and (b) except with the prior written consent of New BBX Capital (such consent not to be unreasonably withheld, delayed or conditioned), Parent shall not, and shall not permit any Parent Entity to, amend any Tax Return for any Pre-Closing Period or Straddle Period to the extent such amendment could reasonably be expected to result in an indemnification obligation on the part of New BBX Capital pursuant to Article III or otherwise increase the Taxes of any member of the New BBX Capital Group.

Section 2.06 Straddle Period Tax Allocation. Parent and New BBX Capital shall take all actions necessary or appropriate to close the taxable year of New BBX Capital and each New BBX Capital Entity for all Tax purposes as of the close of business on the Distribution Date to the extent permissible or required under applicable Law. If applicable Law does not require or permit New BBX Capital or a New BBX Capital Entity, as the case may be, to close its taxable year on close of business on the Distribution Date, then the allocation of income or deductions required to determine any Taxes or other amounts attributable to the portion of the Straddle Period ending on, or beginning after, the Distribution Date shall be made by means of a closing of the books and records of New BBX Capital or such New BBX Capital Entity as of the close of business on the Distribution Date; provided that exemptions, allowances or deductions that are calculated on an annual or periodic basis shall be allocated between such portions in proportion to the number of days in each such portion; provided, further, that real property and other property or similar periodic Taxes shall be apportioned on a per diem basis.

Section 2.07 Timing of Payments. All Taxes required to be paid or caused to be paid pursuant to this Article II by either Parent or a Parent Entity or New BBX Capital or a New BBX Capital Entity, as the case may be, to an applicable Taxing Authority or reimbursed by Parent or New BBX Capital to the other Party pursuant to this Agreement, shall, in the case of a payment to a Taxing Authority, be paid on or before the Due Date for the payment of such Taxes and, in the case of a reimbursement to the other Party, be paid at least two (2) business days before the Due Date for the payment of such Taxes by the other Party; provided that the Party seeking reimbursement shall furnish such other Party reasonably satisfactory documentation setting forth the basis for, and calculation of, the amount of such reimbursement obligation at least twenty (20) days before such Due Date.

Section 2.08 Expenses. Except as provided in Section 7.01 in respect of the expenses relating to the Accounting Firm, each Party shall bear its own expenses incurred in connection with this Article II.

Section 2.09 Apportionment of New BBX Capital Taxes. For all purposes of this Agreement, but subject to Section 4.03, Parent and New BBX Capital shall jointly determine in good faith which Tax Items are properly attributable to assets or activities of the New BBX Capital Business (and in the case of a Tax Item that is properly attributable to both the New BBX Capital Business and the Bluegreen Business, the allocation of such Tax Item between the New BBX Capital Business and the Bluegreen Business) in a manner consistent with the Past Practices of the Parties and the provisions of this Agreement, and any disputes shall be resolved by the Accounting Firm in accordance with Section 7.01.

ARTICLE III

INDEMNIFICATION

Section 3.01 Indemnification by Parent. Subject to Section 3.03, Parent shall pay, and shall indemnify and hold the New BBX Capital Group harmless from and against, without duplication, (a) all Parent Taxes, (b) all Taxes incurred by New BBX Capital or any New BBX Capital Entity arising out of, attributable to, or resulting from the breach by Parent of any of its covenants hereunder, and (c) any out-of-pocket costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses).

Section 3.02 Indemnification by New BBX Capital. Subject to Section 3.03, New BBX Capital shall pay, and shall indemnify and hold the Parent Group harmless from and against, without duplication, (a) all New BBX Capital Taxes, (b) all Taxes incurred by Parent or any Parent Entity arising out of, attributable to, or resulting from the breach by New BBX Capital of any of its covenants hereunder, and (c) any out-of-pocket costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses). In addition, to the extent, if any, that New BBX Capital's market value at the time of the Distribution is greater than Parent's tax basis in New BBX Capital, New BBX Capital shall indemnify Parent for tax on gain taken into account as a result of the Distribution, determined as if no net operating losses or other tax attributes were available to shelter that gain and computed at an assumed tax rate of 25%.

Section 3.03 Characterization of and Adjustments to Payments.

(a) For all Tax purposes, Parent and New BBX Capital shall treat any payment by Parent to a member of the New BBX Capital Group or by New BBX Capital to a member of the Parent Group required by this Agreement (other than payments with respect to interest accruing after the Distribution Date) as either a contribution by Parent to New BBX Capital or a distribution by New BBX Capital to Parent, as the case may be, occurring immediately prior to the Distribution.

(b) Notwithstanding the foregoing, the amount that any Indemnifying Party is or may be required to provide indemnification to or on behalf of any Indemnified Party pursuant to Article III of this Agreement, the Separation Agreement or any other Ancillary Agreement shall be (i) decreased to take into account any Tax Benefit to the Indemnified Party (or any of its Affiliates) arising from the incurrence or payment of the relevant indemnified item and actually realized in or prior to the taxable year succeeding the taxable year in which the indemnified item is incurred (which Tax Benefit would not have arisen or been allowable but for such indemnified item), and (ii) increased to take into account any actual Tax Cost of the Indemnified Party (or any of its Affiliates) arising from the receipt of the relevant indemnity payment.

Section 3.04 Timing of Indemnification Payments. Indemnification payments in respect of any liabilities for which an Indemnified Party is entitled to indemnification pursuant to this Article III shall be paid by the Indemnifying Party to the Indemnified Party within ten (10) days after written notification thereof by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for, and calculation of, the amount of such indemnification payment, or within ten (10) days after resolution pursuant to Section 7.01.

ARTICLE IV

REFUNDS, CARRYBACKS, TIMING DIFFERENCE AND TAX ATTRIBUTES

Section 4.01 Refunds and Credits.

(a) Except as provided in Section 4.02, Parent shall be entitled to all Refunds of Taxes for which Parent is responsible pursuant to Article III, and New BBX Capital shall be entitled to all Refunds of Taxes for which New BBX Capital is responsible pursuant to Article III. For the avoidance of doubt, to the extent that a particular Refund of Taxes may be allocable to a Straddle Period with respect to which the Parties may share responsibility pursuant to Article III, the portion of such Refund to which each Party will be entitled shall be determined by comparing the amount of payments made by a Party (or any of member of such Party's Group) to a Taxing Authority or to the other Party (and reduced by the amount of payments received from the other Party) pursuant to Articles II and III hereof with the Tax liability of such Party as determined under Section 2.06, taking into account the facts as utilized for purposes of claiming such Refund. If a Party (or any member of its Tax Group) receives a Refund to which the other Party is entitled pursuant to this Agreement, such Party shall pay the amount to which such other Party is entitled (net of any Taxes imposed with respect to such Refund and any other reasonable out-of-pocket costs incurred by such Party with respect thereto) within ten (10) days after the receipt of the Refund.

(b) Notwithstanding Section 4.01(a), to the extent that a Party (or any member of its Tax Group) applies or causes to be applied an overpayment of Taxes as a credit toward or a reduction in Taxes otherwise payable (or a Taxing Authority requires such application in lieu of a Refund) and such overpayment of Taxes, if received as a Refund, would have been payable by such Party to the other Party pursuant to this Section 4.01, such Party shall pay such amount to the other Party no later than ten (10) days following the date on which the overpayment is reflected on a filed Tax Return.

(c) To the extent that the amount of any Refund under this Section 4.01 is later reduced by a Taxing Authority or in a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 4.01 and an appropriate adjusting payment shall be made.

Section 4.02 Carrybacks. Except to the extent otherwise consented to by Parent or prohibited by applicable Law, New BBX Capital (or the appropriate member of its Tax Group) shall elect to relinquish, waive or otherwise forgo the carryback of any loss, credit or other Tax Attribute from any Post-Closing Period to any Pre-Closing Period or Straddle Period with respect to members of the New BBX Capital Group (a "Carryback"). In the event that New BBX Capital (or the appropriate member of its Tax Group) is prohibited by applicable Law to relinquish, waive or otherwise forgo a Carryback (or Parent consents to a Carryback), Parent shall cooperate with New BBX Capital, at New BBX Capital's expense, in seeking from the appropriate Taxing Authority such Refund as reasonably would result from such Carryback, to the extent that such Refund is directly attributable to such Carryback, and shall pay over to New BBX Capital the amount of such Refund, net of any Taxes imposed on the receipt of such Refund and any other reasonable out-of-pocket costs, within ten (10) days after such Refund is received.

Section 4.03 Tax Attributes.

(a) As soon as reasonably practicable after the Distribution Date, Parent shall reasonably determine in good faith the allocation of Tax Attributes, as well as any limitations on the use thereof, arising in a Pre-Closing Period to the Parent Group and the New BBX Capital Group in accordance with the Code and Treasury Regulations, including Treasury Regulations Sections 1.1502-9T(c), 1.1502-21, 1.1502-21T, 1.1502-22, 1.1502-79 and, if applicable, 1.1502-79A, and 1.1502-95 (and any applicable state, local and foreign Tax Laws). Subject to the preceding sentence, Parent shall be entitled to make any determination as to (i) basis, and (ii) valuation, and shall make such determinations reasonably and in good faith and consistent with Past Practice, where applicable. Parent shall consult in good faith with New BBX Capital regarding such allocation of Tax Attributes and determinations as to basis and valuation, and shall consider in good faith any comments received in writing from New BBX Capital regarding such allocation and determinations. Parent and New BBX Capital hereby agree to compute all Taxes for Post-Closing Periods consistently with the determination of the allocation of Tax Attributes pursuant to this Section 4.03(a) unless otherwise required by a Final Determination.

(b) To the extent that the amount of any Tax Attribute is later reduced or increased by a Taxing Authority or Tax Proceeding, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 4.03(a).

Section 4.04 Timing Differences. If pursuant to a Final Determination an Adjustment (i) increases the amount of liability for any Taxes for which a member of the Parent Group is responsible hereunder and a Tax Benefit is made allowable to New BBX Capital or a member of its Tax Group for any Tax period after the Distribution Date, which Tax Benefit would not have arisen or been allowable but for such Adjustment, and which Tax Benefit reduces Taxes in respect of a Tax period for which New BBX Capital or a member of its Tax Group is liable (and for which no member of the Parent Group is liable) or (ii) increases the amount of liability for any Taxes for which a member of the New BBX Capital Group is responsible hereunder and a Tax Benefit is made allowable to Parent or a member of its Tax Group for any Tax period prior to the Distribution Date, which Tax Benefit would not have arisen or been allowable but for such Adjustment, and which Tax Benefit reduces Taxes in respect of a Tax period which Parent or a member of its Tax Group is liable (and for which no member of the New BBX Capital Group is liable), then New BBX Capital or Parent, as the case may be, shall make a payment to either Parent or New BBX Capital, as appropriate, within thirty (30) days of the date that such paying Party (or any of its Tax Group members) actually receives such Tax Benefit (determined by comparing its (and its Tax Group members') Tax liability with and without the Tax consequences of the Adjustment), which payment shall not exceed the increase in the amount of liability for any Taxes resulting from such Adjustment, for which a member of the Parent Group or New BBX Capital Group, as the case may be, is responsible hereunder.

Section 4.05 Tax Benefit Determinations. Notwithstanding anything herein to the contrary, if and to the extent a Party owns, directly or indirectly, less than 100% of the equity of any entity and as a result of such less-than-100% ownership interest in the entity such entity is not a member of the Party's Tax Group, then the amount of the Tax Benefit payment under this Article IV shall be appropriately adjusted to take into account the percentage ownership (based on value) of any such entity, and shall be determined and due and owing even if such entity is not a member of the Tax Group of a Party.

Section 4.06 Supporting Documentation. If a Party seeks any payment from the other Party pursuant to this Article IV, the requesting Party shall furnish such other Party reasonably satisfactory documentation setting forth the basis for, and the calculation of, the amount of such payment obligation. If such other Party disagrees with the determination of the amount of the payment obligation set forth therein, any disputes shall be resolved by the Accounting Firm in accordance with Section 7.01.

ARTICLE V

TAX PROCEEDINGS

Section 5.01 Notification of Tax Proceedings. Within ten (10) days after an Indemnified Party becomes aware of the commencement of a Tax Proceeding that may give rise to Taxes for which an Indemnifying Party is responsible pursuant to Article III, such Indemnified Party shall notify the Indemnifying Party of such Tax Proceeding, and thereafter shall promptly forward or make available to the Indemnifying Party copies of notices and communications relating to such Tax Proceeding. The failure of the Indemnified Party to notify the Indemnifying Party of the commencement of any such Tax Proceeding within such ten (10) day period or promptly forward any further notices or communications shall not relieve the Indemnifying Party of any obligation which it may have to the Indemnified Party under this Agreement except to the extent that the Indemnifying Party is actually prejudiced by such failure.

Section 5.02 Tax Proceeding Procedures Generally.

(a) Tax Proceedings Relating to Parent Consolidated Returns. Parent shall be entitled to contest, compromise, control and settle any adjustment or deficiency proposed, asserted or assessed pursuant to any Tax Proceeding with respect to any Parent Consolidated Return; provided that to the extent such Tax Proceeding could reasonably be expected to adversely affect the amount of Taxes for which New BBX Capital is responsible pursuant to Article III less the amount payable to New BBX Capital pursuant to Section 4.04, Parent shall (i) defend such Tax Proceeding diligently and in good faith, (ii) keep New BBX Capital informed in a timely manner of all material actions proposed to be taken by Parent with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which New BBX Capital is responsible pursuant to Article III), (iii) permit New BBX Capital to participate (at New BBX Capital's sole expense) in all proceedings with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which New BBX Capital is responsible pursuant to Article III), and (iv) not settle any such Tax Proceeding without the prior written consent of New BBX Capital, which shall not be unreasonably withheld, conditioned or delayed.

(b) Tax Proceedings Relating to Other Returns. The Preparing Party (in the case of a Mixed Business Tax Return) or the Single Business Return Preparing Party (in the case of a Single Business Return) shall be entitled to contest, compromise, control and settle any adjustment or deficiency proposed, asserted or assessed pursuant to any Tax Proceeding with respect to any Mixed Business Tax Return or Single Business Return; provided that to the extent such Tax Proceeding could reasonably be expected to adversely affect the amount of Taxes for which the Reviewing Party or Single Business Return Reviewing Party (as applicable) is responsible pursuant to Article III, the controlling party shall (i) defend such Tax Proceeding diligently and in good faith, (ii) keep the non-controlling party informed in a timely manner of all material actions proposed to be taken by the controlling party with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which the non-controlling party is responsible pursuant to Article III), (iii) permit the non-controlling party to participate (at the non-controlling party's sole expense) in all proceedings with respect to such Tax Proceeding (or to the extent practicable the portion of such Tax Proceeding that relates to Taxes for which the non-controlling party is responsible pursuant to Article III), and (iv) not settle any such Tax Proceeding without the prior written consent of the non-controlling party, which shall not be unreasonably withheld, conditioned or delayed.

ARTICLE VI

COOPERATION

Section 6.01 General Cooperation.

(a) The Parties shall each cooperate (and each shall cause its respective Subsidiaries to cooperate) with all reasonable requests in writing from another Party hereto, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns, claims for Refunds, Tax Proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of either of the Parties or their respective Subsidiaries covered by this Agreement and in connection with any financial reporting matter relating to Taxes (a "Tax Matter"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter ("Information") and shall include, without limitation:

(i) the provision of any Tax Returns, other than any Parent Consolidated Return, of the Parties and their respective Subsidiaries, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Taxing Authorities (or, in the case of any Mixed Business Income Tax Return, to the extent practicable, the portion of such Tax Return that relates to Taxes for which New BBX Capital is responsible pursuant to this Agreement);

(ii) the execution of any document (including any power of attorney) in connection with any Tax Proceedings of either of the Parties or their respective Subsidiaries, or the filing of a Tax Return or a Refund claim of the Parties or any of their respective Subsidiaries;

(iii) the use of the Party's commercially reasonable best efforts to obtain any documentation in connection with a Tax Matter;

(iv) the use of the Party's commercially reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents) (other than any Parent Consolidated Return), documents, books, records or other information in connection with the filing of any Tax Returns of either of the Parties or their Subsidiaries (or, in the case of any Mixed Business Income Tax Return, to the extent practicable, the portion of such Tax Return, documents, books, records or other information that relates to Taxes for which New BBX Capital is responsible pursuant to this Agreement); and

(v) the making of each Party's officers, employees, advisors, other representatives and facilities available on a reasonable and mutually convenient basis in connection with the foregoing matters.

(b) Notwithstanding anything in this Agreement to the contrary, neither Party shall be required to provide the other Party or any of such other Party's Subsidiaries access to or copies of information, documents or personnel if such action could reasonably be expected to result in the waiver of any Privilege. In addition, in the event that either Party determines that the provision of any information or documents to the other Party or any of such other Party's Subsidiaries could be commercially detrimental, violate any law or agreement or waive any Privilege, the Parties shall use commercially reasonable efforts to permit compliance with its obligations hereunder in a manner that avoids any such harm or consequence.

(c) The Parties shall perform all actions required or permitted under this Agreement in good faith. If one Party requests the cooperation of the other Party pursuant to this Section 6.01 or any other provision of this Agreement, except as otherwise expressly provided in this Agreement, the requesting Party shall reimburse such other Party for all reasonable out-of-pocket costs and expenses incurred by such other Party in complying with the requesting Party's request.

Section 6.02 Retention of Records. Parent and New BBX Capital shall retain or cause to be retained all Tax Returns, schedules and work papers, and all material records or other documents relating thereto in their possession, in each case, that relate to a Pre-Closing Period or a Straddle Period, until the later of the six-year anniversary of the filing of the relevant Tax Return or, upon the written request of the other Party, for a reasonable time thereafter (the "Retention Period"). Upon the expiration of the Retention Period, the foregoing information may be destroyed or disposed of by the Party previously retaining such documentation or other information unless the other Party otherwise requests in writing before the expiration of the Retention Period. In such case, the Party retaining such documentation or other information shall deliver such materials to the other Party or continue to retain such materials, in either case, at the expense of such other Party.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Dispute Resolution. In the event of any dispute between the Parties as to any matter covered by this Agreement, the Parties shall appoint a nationally recognized public accounting firm reasonably acceptable to both of the Parties to resolve such dispute. If the Parties are unable to agree upon such a nationally recognized public accounting firm, then each Party shall select a nationally recognized public accounting firm and the nationally recognized public accounting firms selected by the Parties shall select a separate nationally recognized public accounting firm to resolve any dispute between the Parties as to any matter covered by this Agreement. The nationally recognized public accounting firm selected to resolve any dispute between the Parties pursuant to the foregoing provisions of this Section 7.01 is referred to as the "Accounting Firm." The Accounting Firm shall make determinations with respect to the disputed items based solely on representations made by Parent and New BBX Capital and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination within the ranges submitted by the Parties. The Parties shall require the Accounting Firm to resolve all disputes no later than thirty (30) days after the submission of such dispute to the Accounting Firm, and agree that all decisions by the Accounting Firm with respect thereto shall be final, conclusive and binding on the Parties. The Accounting Firm shall resolve all disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Parent and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The total costs and expenses of the Accounting Firm will be allocated and borne between Parent and New BBX Capital based upon that percentage of such fees and expenses equal to the percentage of the dollar value of the proposed determinations submitted to the Accounting Firm determined in favor of the applicable Party; provided, that if in light of the nature of the dispute the foregoing is not feasible, such costs and expenses shall be borne equally by the Parties. Any initial retainer required by the Accounting Firm shall be funded equally by the Parties (and, following the Accounting Firm's determination, the Parties shall make appropriate payments between themselves as are necessary to give effect to the preceding sentence).

Section 7.02 Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the prime rate published in the Wall Street Journal for the relevant period.

Section 7.03 Survival of Covenants. The covenants and agreements of the Parties contained in this Agreement shall survive the Distribution and remain in full force and effect in accordance with their applicable terms.

Section 7.04 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to either of the Parties hereto (including, without limitation, any successor of Parent or New BBX Capital succeeding to the Tax Attributes of either under Section 381 of the Code), to the same extent as if such successor had been an original party to this Agreement.

Section 7.05 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

Section 7.06 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement, the Separation Agreement and the other Ancillary Agreements constitute the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

Section 7.07 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by either Party without the prior written consent of the other Party, except that each Party may assign (a) any or all of its rights and obligations under this Agreement to any of its Subsidiaries and (b) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any of its assets or entities or lines of business; provided, however, that, in each case, no such assignment shall release such Party from any liability or obligation under this Agreement and any assignee shall agree in writing to be bound by the terms and conditions contained in this Agreement. Any attempted assignment or delegation in breach of this Section 7.07 shall be null and void. Except as provided in Article III with respect to Indemnified Parties, this Agreement is for the sole benefit of the Parties to this Agreement and their respective Subsidiaries and their successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.08 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by the Parties to this Agreement.

Section 7.09 Amendment; Waiver. Subject to any limitations expressly set forth in the Information Statement, except as expressly set forth to the contrary herein, prior to the Effective Time, this Agreement may be amended and any provision waived, in whole or in part, by Parent, in its sole discretion, by execution of a written document evidencing the same delivered to New BBX Capital. Following the Effective Time, no provision of this Agreement shall be waived or amended unless in writing and, in the case of a waiver, signed by an authorized representative of the waiving Party and, in the case of an amendment, signed by an authorized representative of each Party. No waiver by any of the Parties of any provision or breach hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent breach hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 7.10 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, and clause are references to the Articles, Sections, paragraphs, and clauses, as the case may be, of this Agreement unless otherwise specified; (c) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement; (d) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (e) the word “or” shall not be exclusive; (f) references to “written” or “in writing” include in electronic form; (g) provisions shall apply, when appropriate, to successive events and transactions; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) Parent and New BBX Capital have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (j) a reference to any Person includes such Person’s successors and permitted assigns.

Section 7.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 7.12 Coordination with Ancillary Agreements. To the extent any covenants or agreements between the Parties with respect to (a) employee withholding Taxes are set forth in the Employee Matters Agreement, such employee withholding Taxes shall be governed exclusively by the Employee Matters Agreement and not by this Agreement and (b) Covered Taxes as are set forth in the Transition Services Agreement, such Covered Taxes shall be governed exclusively by the Transition Services Agreement and not by this Agreement. Subject to the foregoing, this Agreement shall be the exclusive agreement among the Parties with respect to all Tax matters, including indemnification in respect of Tax matters, except as expressly set forth to the contrary in the Separation Agreement or any other Ancillary Agreement.

Section 7.13 Confidentiality. The Parties hereby agree that the confidentiality provisions of the Separation Agreement shall apply to all information and material furnished by any Party or its representatives hereunder to the other Party or any of its representatives (including any Information and any Tax Returns).

Section 7.14 Expenses. Except as otherwise provided in this Agreement or the Separation Agreement, whether or not the Distribution or the other transactions contemplated by the Separation Agreement are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs or expenses.

Section 7.15 Notices. All notices and other communications among the Parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (c) when delivered by FedEx or other nationally recognized overnight delivery service or (d) when delivered by facsimile (solely if receipt is confirmed) or email (so long as the sender of such email does not receive an automatic reply from the recipient's email server indicating that the recipient did not receive such email), addressed as follows:

If to Parent:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: Chairman
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

If to New BBX Capital:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: President
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

or, in each case, to such other address as the Parties hereto may from time to time designate in writing. Any notice to Parent will be deemed notice to all members of the Parent Group, and any notice to New BBX Capital will be deemed notice to all members of the New BBX Capital Group.

Section 7.16 Effectiveness; Termination. The effectiveness of this Agreement and the obligations and rights created hereunder are subject to, and conditioned upon, the completion of the Distribution pursuant to the terms of the Separation Agreement and shall terminate automatically without any further action of the Parties upon a termination of the Separation Agreement prior to the Effective Time. Once effective, this Agreement shall remain in force and be binding so long as the applicable period for assessments or collections of Tax (including extensions) remains unexpired for any Taxes contemplated by, or indemnified against in, this Agreement, unless earlier terminated upon mutual written consent of the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

BBX CAPITAL CORPORATION

By: ______________________________
Name: Alan B. Levan
Title: Chairman and Chief Executive Officer

BBX CAPITAL FLORIDA LLC

By: ______________________________
Name: Jarett S. Levan
Title: President and Chief Executive Officer

Exhibit 10.3

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT, dated as of ___________, 2020 (this "Agreement"), is entered into by and among BBX Capital Corporation, a Florida corporation ("Parent"), and BBX Capital Florida LLC, a Florida limited liability company ("New BBX Capital"). Each of Parent and New BBX Capital is referred to herein as a "Party" and collectively as the "Parties." Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in the Separation Agreement (as defined below).

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement (the "Separation Agreement") dated as of the date hereof, by and among Parent and New BBX Capital, Parent and New BBX Capital have set out the terms on which, and the conditions subject to which, they wish to implement the Spin-Off of New BBX Capital, which prior to the Spin-Off is to be converted into a Florida corporation; and

WHEREAS, in connection with the foregoing, the Parties have entered into this Agreement to allocate, among Parent and New BBX Capital, Assets, Liabilities and responsibilities with respect to certain employee compensation, benefits, labor and other employment matters, all pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. As used in this Agreement, the following terms shall have the meanings indicated below:

"Closing Plan Year" means the calendar year in which the Effective Time occurs.

"COBRA" shall have the meaning specified in Section 2.03(d).

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Employee" means each of Alan B. Levan, John E. Abdo, Jarett S. Levan, Seth M. Wise, Raymond S. Lopez and each other Employee of Parent to continue as an Employee of Parent following the Spin-Off as set forth on Schedule 1 hereto, in each case, in their capacities as Employees of Parent. For the avoidance of doubt, an Employee shall be deemed a "Continuing Employee" if he or she is expected to serve as an Employee of both Parent and New BBX Capital following the Spin-Off, as indicated on Schedule 1 hereto.

"Employee" means with respect to any entity, an individual who is considered, according to the payroll and other records of such entity, to be employed by such entity, whether active or inactive, on disability leave, or on other leave of absence.

"Employment Agreement" means each Executive Employment Agreement and any individual employment, offer, retention, consulting, change in control, split dollar life insurance, sale bonus, incentive bonus, severance, restrictive covenant or other employment related or individual compensatory agreement between any current or former employee and Parent or any of its Affiliates (including New BBX Capital), in each case, that is related to the New BBX Capital Business, other than those between Parent and any Continuing Employee, including, without limitation, the Employment Agreements between Parent and each of Alan B. Levan, John E. Abdo, Jarett S. Levan, Seth M. Wise and Raymond S. Lopez.

“Employment Claim” means any actual, threatened or potential lawsuit, arbitration, ERISA claim, or federal, state, or local judicial or administrative proceeding of whatever kind involving a demand by or on behalf of or relating to an employee, former employee, job applicant, intern or volunteer, independent contractor, leased employee, or anyone claiming to be an employee or joint employee, or by or relating to a collective bargaining agent of employees, or by or relating to any federal, state, or local government agency alleging liability against an entity as an employer or against an employee pension, welfare or other benefit plan, or an administrator, trustee or fiduciary thereof.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Executive Employment Agreement” has the meaning specified in Section 2.01(d).

“Former New BBX Capital Employee” means former Employees of Parent or its Affiliates (including members of the New BBX Capital Group) whose last employment with Parent or its Affiliates before the Effective Time was with a New BBX Capital Entity or was not primarily related to the Bluegreen Business.

“IRS” means the United States Internal Revenue Service.

“New BBX Capital” has the meaning specified in the preamble of this Agreement.

“New BBX Capital Benefit Plans” means any Plan that is sponsored or maintained by New BBX Capital or a New BBX Capital Entity.

“New BBX Capital Employee” means each Employee of Parent or any member of the Parent Group or New BBX Capital or any member of the New BBX Capital Group immediately prior to the Effective Time other than Continuing Employees who, as indicated on Schedule 1 hereto, will not be Employees of both Parent and New BBX Capital following the Spin-Off, in each case, in their respective capacities as Employees of New BBX Capital (and, for the avoidance of doubt with respect to Continuing Employees who will be Employees of both Parent and New BBX Capital following the Spin-Off, not in their respective capacities as Employees of Parent).

“New BBX Capital FSAs” has the meaning specified in Section 2.03(c).

“New BBX Capital Health and Welfare Benefit Plans” has the meaning specified in Section 2.03(b).

“New BBX Capital Retirement Plan” has the meaning specified in Section 2.02(b).

“Parent” has the meaning specified in the preamble of this Agreement.

“Parent Benefit Plan” means any of (i) the Parent Health and Welfare Benefit Plans, the Parent Retirement Plan, and (ii) any other Plan that, as of the close of business on the Business Day before the Effective Time, is sponsored or maintained solely by Parent or a Parent Group member.

“Parent FSAs” has the meaning specified in Section 2.03(c).

“Parent Health and Welfare Benefit Plans” means the health and welfare plans sponsored and maintained by Parent or any of its Subsidiaries or Affiliates, including any flexible benefit plan.

“Parent Retirement Plan” means the BBX Capital Corporation 401(k) Plan, as in effect immediately prior to the Effective Time.

“Party” and “Parties” have the meanings specified in the preamble of this Agreement.

“Plan” means any plan, policy, arrangement, contract or agreement providing compensation or benefits for any group of Employees or individual Employee, or the dependents or beneficiaries of any such Employee(s), whether formal or informal or written or unwritten, and including, without limitation, any means, whether or not legally required, pursuant to which any benefit is provided by an employer to any Employee or the beneficiaries of any such Employee. The term "Plan" as used in this Agreement does not include any Contract relating to settlement of actual or potential Employment Claims. Notwithstanding the foregoing, no Employment Agreement will constitute a "Plan" for purposes hereof.

"Plan Payee" means an individual who is entitled to payment of Plan benefits in his or her capacity as a beneficiary with respect to the benefits of a deceased participant in the Plan or an alternate payee under a qualified domestic relations order within the meaning of Section 414(p)(1)(A) of the Code and Section 206(d)(3)(B)(i) of ERISA with respect to the benefits of a participant in the Plan.

"Separation Agreement" has the meaning specified in the recitals of this Agreement.

"WARN" has the meaning specified in Section 3.01.

"Workers' Compensation Event" means the event, injury, illness or condition giving rise to a workers' compensation claim.

Section 1.02 Interpretation; Construction.

(a) Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender and neuter form; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) derivative forms of defined terms will have correlative meanings; (iv) the terms "hereof," "herein," "hereby," "hereto," "herewith," "hereunder" and derivative or similar words refer to this entire Agreement; (v) the terms "Article," "Section," and "Schedule" refer to the specified Article, Section, or Schedule, as the case may be, of this Agreement and references to "paragraphs" or "clauses" shall be to separate paragraphs or clauses, respectively, of the section or subsection in this Agreement in which the reference occurs; (vi) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation;" (vii) the word "or" shall be disjunctive but not exclusive; (viii) the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if;" and (ix) the terms "writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form.

(b) Unless the context of this Agreement otherwise requires: references to Contracts (including this Agreement) and other documents or Laws shall be deemed to include references to such Contract or Law as amended, restated, supplemented or modified from time to time in accordance with its terms and the terms hereof, as applicable, and in effect at any given time (and, in the case of any Law, to any successor provisions).

(c) Unless the context of this Agreement otherwise requires, references to any federal, state, local, or foreign statute or Law shall include all regulations promulgated thereunder.

(d) Unless the context of this Agreement otherwise requires, references to any Person include references to such Person's successors and permitted assigns, and in the case of any Governmental Authority, to any Person succeeding to its functions and capacities.

(e) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. The Parties acknowledge that each Party and its attorneys have reviewed and participated in the drafting of this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party, or any similar rule operating against the drafter of a Contract, shall not be applicable to the construction or interpretation of this Agreement.

(f) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. If any action is to be taken or given on or by a particular day, and such day is not a Business Day, then such action may be deferred until the next Business Day.

(g) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP unless the context otherwise requires.

Section 1.03 Survival. If the Spin-Off is consummated, the obligations set forth in this Agreement shall remain in full force and effect and shall survive the Effective Time.

ARTICLE II
EMPLOYEES AND EMPLOYEE BENEFITS

Section 2.01 Employment.

(a) Employment of Employees of New BBX Capital and Parent. At or prior to the Effective Time, Parent and New BBX Capital shall take all steps necessary and appropriate to continue, or cause to become effective, (i) the employment of the New BBX Capital Employees by New BBX Capital or the applicable New BBX Capital Entity, and (ii) the employment of the Continuing Employees by Parent or the applicable Parent Entity. The Parties shall cooperate to effect any transfers of employment contemplated by this Section 2.01 in a manner that does not result in severance or termination payments or benefits becoming due to any affected Employee.

(b) Continued Employment. Between the date hereof and the Effective Time, neither Party shall, without the consent of the other Party, affirmatively terminate or cause its applicable Affiliate to affirmatively terminate, the employment of any Employees other than in the ordinary course of business and shall not transfer the employment of such Employees except as provided in Section 2.01(a).

(c) Allocation of Responsibilities as Employer; Assumption of Employment-Related Liabilities. At the Effective Time, New BBX Capital or the applicable member of the New BBX Capital Group shall retain or assume, as the case may be, responsibility as employer of the New BBX Capital Employees. In addition, at the Effective Time, New BBX Capital shall retain or assume all Liabilities related to the employment or retention of New BBX Capital Employees and Former New BBX Capital Employees, except as specifically provided herein, including Liabilities for any Employment Claim with respect to a New BBX Capital Employee or Former New BBX Capital Employee.

(d) Employment Agreements. At or prior to the Effective Time, the Parties shall cause New BBX Capital to assume, perform and be solely and exclusively responsible for all Employment Agreements of the New BBX Capital Employees and all obligations and Liabilities with respect thereto and to enter into the employment agreements with Alan B. Levan, John E. Abdo, Jarett S. Levan, Seth M. Wise and Raymond S. Lopez as contemplated by the Information Statement which is a part of, or in the form attached as an exhibit to, the New BBX Capital Registration Statement (the "Executive Employment Agreements"), each to be effective as of the Effective Time. On and after the Effective Time, Parent and its Affiliates (other than New BBX Capital Entities) shall have no obligations or liabilities with respect to such Employment Agreements. To the extent an Employment Agreement is not transferred in accordance with this Section 2.01(d), New BBX Capital shall fully indemnify Parent and any applicable Parent Group member with respect to all Liabilities associated with such Employment Agreement (including any termination thereof) to the extent arising out of events occurring following the Effective Time. From and after the Effective Time, New BBX Capital shall retain or assume all Liabilities under and perform all obligations under all New BBX Capital Benefit Plans.

(e) Service Credit. From and after the Effective Time, New BBX Capital shall give each New BBX Capital Employee full credit for determining the amount of paid time off, vacation or sick leave, and the level of employer contributions under any defined contribution retirement plan, and for purposes of eligibility to participate and vesting (but not benefit accruals (if applicable)) under any employee benefit plans, arrangements, collective agreements and employment-related entitlements (including under any applicable pension, defined contribution (for example, 401(k)), deferred compensation, savings, medical, dental, life insurance, disability, vacation, long-service leave or other leave entitlements, post-retirement health and life insurance, termination indemnity, severance or separation pay plans) provided, sponsored, maintained or by or contributed to New BBX Capital or any of its Affiliates under which such New BBX Capital Employee is eligible to participate after the Effective Time for such New BBX Capital Employee's service with Parent, New BBX Capital or their respective Subsidiaries prior to the Effective Time, to the same extent recognized by any of Parent, New BBX Capital and their respective Subsidiaries immediately prior to the Effective Time, except to the extent such credit would result in the duplication of benefits for the same period of service.

(f) Independent Contractors. With respect to any independent contractor agreements or similar Contract with independent contractors that relate primarily to the Bluegreen Business and that are with New BBX Capital or a member of the New BBX Capital Group (and not with Parent or a Parent Group member), the Parties shall use commercially reasonable best efforts to assign the applicable Contract and related Liabilities to Parent or a Parent Group member designated by Parent. With respect to any independent contractor agreements or similar Contract with independent contractors that relate primarily to the New BBX Capital Business and that are with Parent or a member of the Parent Group (and are not with New BBX Capital or a New BBX Capital Group member), the Parties shall use commercially reasonable best efforts to assign the applicable Contract and related Liabilities to New BBX Capital a member of the New BBX Capital Group or a New BBX Capital Group member designated by New BBX Capital.

Section 2.02 Retirement Plans.

(a) Parent Retirement Plan. Effective on the Effective Time, New BBX Capital Employees (other than those that are Continuing Employees) shall cease to be eligible to: (i) have elective deferrals contributed on their behalf to the Parent Retirement Plan with respect to pay paid after the Effective Time, (ii) be credited with future employer contributions (for example, matching contributions) in the Parent Retirement Plan, or (iii) make contributions (for example, rollovers or loan repayments) to the Parent Retirement Plan, and shall cease to be active participants in the Parent Retirement Plan. Effective on the Effective Time, each New BBX Capital Group member shall cease to be a participating employer in the Parent Retirement Plan.

(b) New BBX Capital Retirement Plan. Prior to Effective Time, New BBX Capital shall take all actions necessary or appropriate to establish or maintain for the benefit of New BBX Capital Employees (i) a defined contribution plan qualified under Section 401(a) of the Code that includes a cash or deferred arrangement qualified under Section 401(k) of the Code that is a participant-directed individual account plan that complies with Section 404(c) of ERISA, and (ii) a related trust or trusts exempt under Section 501(a) of the Code, each to be effective no later than the Effective Time (such plan and trust(s), the "New BBX Capital Retirement Plan").

(c) 401(k) Transfer of Assets and Liabilities. New BBX Capital shall cause each New BBX Capital Employee who is covered under the Parent Retirement Plan immediately prior the Effective Time to be covered under the New BBX Capital Retirement Plan immediately following the Effective Time. Parent shall cause to be transferred from the Parent Retirement Plan to the New BBX Capital Retirement Plan the full cash value of the New BBX Capital Employees' account balances under the Parent Retirement Plan (or in the case of New BBX Capital Employees that are Continuing Employees, such portion of each such Continuing Employees' respective account balance under the Parent Retirement Plan as determined by the Continuing Employee), including any outstanding participant loans, and New BBX Capital shall cause the New BBX Capital Retirement Plan to accept such transfers. The transfers of Assets and the related Liabilities shall take place as soon as practicable following the Effective Time; provided, however, that in no event shall the transfers take place until New BBX Capital has provided Parent with a favorable determination letter from the IRS with respect to the qualification of the New BBX Capital Retirement Plan under Section 401(a) of the Code (or other evidence of qualification acceptable to Parent). Parent and the Parent Retirement Plan shall be relieved of the liability for the New BBX Capital Employees' accounts under the Parent Retirement Plan following the transfer of assets and liabilities described in this paragraph (except with respect to any balance retained with respect to a Continuing Employee).

Section 2.03 Health and Welfare Benefits.

(a) Parent Health and Welfare Benefit Plans. Effective as of the Effective Time, New BBX Capital Employees (other than those that are Continuing Employees, in their capacities as such) will cease to participate in the Parent Health and Welfare Benefit Plans and each member of the New BBX Capital Group shall cease to be a participating employer in the Parent Health and Welfare Plans. The Parent Health and Welfare Benefit Plans shall continue to be responsible for the payments of any claims for benefits with respect to New BBX Capital Employees that occur prior to the Effective Time to the extent such claims are covered under applicable insurance.

(b) Establishment of New BBX Capital Health and Welfare Benefit Plans. Prior to the Effective Time, New BBX Capital shall or shall cause one of its Affiliates to take, or cause to be taken, or have taken, all action necessary and appropriate to establish or designate and administer a group welfare benefits plan for the benefit of all New BBX Capital Employees effective as of the Effective Time (the "New BBX Capital Health and Welfare Benefit

Plans”) and to provide benefits thereunder for all eligible New BBX Capital Employees who choose to enroll in such Plans that are substantially comparable to those provided under the Parent Health and Welfare Benefit Plans as of the Effective Time. New BBX Capital will cause such New BBX Capital Health and Welfare Benefit Plans to cover those New BBX Capital Employees and their dependents who immediately prior to the Effective Time were participating in, or entitled to present or future benefits under, the corresponding Parent Health and Welfare Benefit Plans. Except as otherwise provided in Section 2.03(a), New BBX Capital will be responsible for all Liabilities associated with claims incurred prior to the Effective Time by New BBX Capital Employees (other than Continuing Employees, in their capacities as Employees of Parent) and Former New BBX Capital Employees and their dependents under the Parent Health and Welfare Benefit Plans, which are paid on or after the Effective Time, regardless of when such claims are incurred, filed and/or paid, and shall promptly reimburse Parent for any such amounts following receipt from Parent of adequate documentation.

(c) Prior to the Effective Time, New BBX Capital shall establish or designate a dependent care spending account and a medical care spending account (the “New BBX Capital FSAs”). The Parties shall take all steps reasonably necessary or appropriate so that the account balances (positive or negative) under the dependent care spending account and a medical care spending account plans sponsored by Parent (the “Parent FSAs”) of each New BBX Capital Employee who has elected to participate therein in the year in which the Effective Time occurs shall be transferred on, or as soon as practicable after, the Effective Time from the Parent FSAs to the corresponding New BBX Capital FSAs; provided that the account balances of each New BBX Capital Employee who is also a Continuing Employee may be transferred in such amount as the applicable Continuing Employee may designate. The New BBX Capital FSAs shall assume responsibility as of the Effective Time for all outstanding dependent care and medical care claims under the Parent FSAs of each New BBX Capital Employee for the year in which the Effective Time occurs and shall assume the rights of and agree to perform the obligations of the analogous Parent FSA from and after the day following the date of the Effective Time, in each case, other than in respect of claims under the Parent FSAs of a Continuing Employee, in his or her capacity as an Employee of Parent. The Parties shall cooperate to provide that the contribution elections of each such New BBX Capital Employee as in effect immediately before the Effective Time remain in effect under the New BBX Capital FSAs following the Effective Time. As soon as practicable after the Effective Time, Parent shall transfer to New BBX Capital an amount equal to the sum of (i) the total contributions made to the Parent FSAs by New BBX Capital Employees who are not also Continuing Employees and (ii) the contributions made to the Parent FSAs by New BBX Capital Employees who are also Continuing Employees in proportion to the percentage of their account balances are transferred to the New BBX Capital FSAs, in the case of each of clauses (i) and (ii), in respect of the plan year in which the Effective Time occurs, reduced by an amount equal to the total claims already paid in respect of such plan year. From and after the Effective Time, Parent shall (subject to applicable Law) provide New BBX Capital with such information as New BBX Capital may reasonably request to enable it to verify any claims information pertaining to a Parent FSA.

(d) Continuation Coverage. As of the Effective Time, New BBX Capital and the New BBX Capital Health and Welfare Benefit Plans shall assume or retain and shall be solely responsible for providing and meeting the continuation coverage requirements imposed by Section 4980B of the Code and Sections 601 through 608 of ERISA (“COBRA”) or similar state law for all New BBX Capital Employees (other than those that are also Continuing Employees, in their capacities as Employees of Parent) and all Former New BBX Capital Employees, as well as their “qualified beneficiaries” (as defined under COBRA), regardless of whether such Liabilities arose before, on or after the Effective Time.

(e) 6055/6056 Reporting. New BBX Capital shall be solely responsible for ensuring that New BBX Capital complies with the reporting obligations under Section 6056 of the Code (Reporting of Offers of Coverage) with respect to New BBX Capital Employees for the Closing Plan Year (including while New BBX Capital was owned by Parent) and periods after the Effective Time, for which New BBX Capital has a reporting obligation, provided that Parent shall be responsible for complying with all reporting obligations with respect to the year prior to the Closing Plan Year. In this regard, New BBX Capital shall be responsible for distributing IRS Form 1095-C to applicable individuals and filing IRS Forms1094-C and 1095-C with the IRS, all according to the applicable rules and regulations governing such forms. New BBX Capital shall also be solely responsible for ensuring that New BBX Capital complies with the reporting obligations under Section 6055 of the Code (Reporting of Enrollment in Minimum Essential Coverage) with respect to all New BBX Capital Employees who are enrolled in a self-insured medical plan under the Parent Health and Welfare Benefit Plans. New BBX Capital may meet this obligation either through IRS Forms 1094-C and 1095-C or IRS Forms 1094-B and 1095-B, all in accordance with applicable rules and regulations. The reporting obligations under Section 6055 of the Code for New BBX Capital Employees who are enrolled in a fully insured medical plan under the Parent Health and Welfare Benefit Plans shall be met by the applicable insurance carrier or HMO. Parent shall cooperate with New BBX Capital to provide all necessary, pre-Effective Time information for New BBX Capital to meet its reporting obligation, which information shall be complete and accurate (in all material respects) and timely provided to New BBX Capital.

(f) Credit for Benefits. New BBX Capital shall (i) waive for each New BBX Capital Employee and his or her dependents, any waiting period provision, payment requirement to avoid a waiting period, pre-existing condition limitation, actively-at-work requirement and any other restriction that would prevent immediate or full participation under the New BBX Capital Health and Welfare Benefit Plans to the extent such waiting period, pre-existing condition limitation, actively-at-work requirement or other restriction was satisfied by or would not have been applicable to such New BBX Capital Employee or dependent under the terms of the welfare plans of New BBX Capital and its Affiliates (including Parent) immediately prior to the Effective Time, and (ii) give full credit under the New BBX Capital Health and Welfare Benefit Plans applicable to each New BBX Capital Employee and his or her dependents for all co-payments and deductibles satisfied prior to the Effective Time in the Closing Plan Year, and for any lifetime maximums, as if there had been a single continuous employer.

Section 2.05 Workers' Compensation. Effective as of the Effective Time, New BBX Capital will be solely responsible for all workers' compensation claims of New BBX Capital Employees and Former New BBX Capital Employees with respect to all Workers' Compensation Events regardless of whether they occurred before, on or following the date of the Effective Time, other than to the extent the Workers' Compensation Event occurred before the Effective Time and is covered by a Parent workers' compensation insurance policy. The Parties shall cooperate with respect to any notification to appropriate governmental agencies of the disposition and the issuance of new, or the transfer of existing, workers' compensation insurance policies and contracts governing the handling of claims.

Section 2.06 Vacation and Sick Pay Liabilities. On and after the Effective Time, (i) New BBX Capital shall provide the New BBX Capital Employees with the same vested and unvested balances of vacation and sick leave as credited to the New BBX Capital Employees on Parent's or its Affiliate's payroll system immediately prior to the Effective Time and (ii) New BBX Capital shall continue to accrue vacation and sick leave in respect of each New BBX Capital Employee according to Parent's accrual schedule as in effect immediately prior to the Effective Time.

Section 2.07 Severance. Effective as of the Effective Time, New BBX Capital shall assume all severance obligations under any Parent Benefit Plan with respect to any Former New BBX Capital Employee.

Section 2.08 Preservation of Right To Amend or Terminate Plans. Except as otherwise expressly provided in this Agreement or the Separation Agreement, no provisions of this Agreement shall be construed as a limitation on the right of Parent or New BBX Capital or any Affiliate thereof to amend any Plan or terminate its participation therein which Parent or New BBX Capital or any Affiliate thereof would otherwise have under the terms of such Plan or otherwise, and no provision of this Agreement shall be construed to create a right in any Employee or former Employee, or dependent or beneficiary of such Employee or former Employee, or any Plan Payee under a Plan which such person would not otherwise have under the terms of the Plan itself.

Section 2.09 No Right to Continued Employment or Engagement or Acceleration of Benefits. Notwithstanding anything to the contrary set forth in this Agreement, no provision of this Agreement or the Separation Agreement shall be deemed to guarantee any employee, independent contractor or individual service provider continued employment or engagement (or any terms or benefits of employment or engagement) for any period of time or to grant any such person any rights as a third party beneficiary hereunder, including any right to any compensation or benefit whatsoever under any Parent Benefit Plan or New BBX Capital Benefit Plan or otherwise.

Section 2.10 Cash Incentives. At the Effective Time, the participation by each New BBX Capital Employee (other than those who are also Continuing Employees, in their capacities as Employees of Parent) in any cash annual bonus, commission, sign-on, retention, stay bonus, transaction bonus or similar plan or agreement of Parent or a Parent Group member shall end, and New BBX Capital shall assume all Liabilities with respect to such cash incentives provided to such New BBX Capital Employees.

Section 2.11 Equity Awards and Plans.

(a) Parent Restricted Shares Unaffected. Parent Restricted Shares shall remain outstanding in accordance with their terms following the Spin-Off. On and after the Distribution Date, Parent shall remain responsible for such Parent Restricted Shares and Parent's equity compensation plans, including, without limitation, Parent's Amended and Restated 2014 Incentive Plan, as amended, and all obligations and Liabilities related thereto.

(b) New BBX Capital Restricted Shares. Holders of Parent Restricted Shares will be entitled to receive in theSpin-Off one (1) restricted share of New BBX Capital Class A Common Stock for each Parent Restricted Share in the form of Parent Class A Common Stock and one (1) restricted share of New BBX Capital Class B Common Stock for each Parent Restricted Share in the form of Parent Class B Common Stock. Such restricted shares of New BBX Capital Class A Common Stock and Class B Common Stock shall be issued under and pursuant to (i) the New BBX Capital 2020 Incentive Plan, in the form attached as an exhibit to the New BBX Capital Registration Statement, which shall be adopted by New BBX Capital effective as of the Effective Time, and (ii) restricted stock award agreements thereunder which New BBX Capital shall seek to enter into as of the Effective Time (or as soon as practicable thereafter) with the holder of the restricted share, so that each such restricted share will, following the Spin-Off, be subject to the same terms and conditions, including, without limitation, vesting conditions, as were applicable to the Parent Restricted Share with respect to which the new restricted share of New BBX Capital Class A Common Stock or Class B Common Stock, as the case may be, was issued. On and after the Distribution Date, New BBX Capital shall be solely responsible for its equity compensation plans, including the New BBX Capital 2020 Incentive Plan, and all awards granted thereunder, including the restricted shares of New BBX Capital Class A Common Stock and Class B Common Stock granted in respect of the Parent Restricted Shares as contemplated by this paragraph (b), and, in each case, all obligations and Liabilities related thereto.

(c) Registration. Upon or as soon as reasonably practicable after the Effective Time and subject to applicable Law, New BBX Capital shall prepare and file with the SEC a registration statement on Form S-8 (or another appropriate form) registering under the Securities Act the offering of the shares of New BBX Capital Common Stock available for issuance pursuant to awards granted under the New BBX Capital 2020 Incentive Plan, in the form attached as an exhibit to the New BBX Capital Registration Statement, which in any event shall include such number of shares as necessary to satisfy New BBX Capital's obligations pursuant to the preceding paragraph (b). New BBX Capital shall use commercially reasonable best efforts to cause any such registration statement to be kept effective (and the current status of the prospectus or prospectuses required thereby to be maintained) as long as any awards thereunder remain outstanding.

ARTICLE III
LABOR AND EMPLOYMENT MATTERS

Notwithstanding any other provision of this Agreement or any other agreement between New BBX Capital and Parent to the contrary, the Parties understand and agree as follows:

Section 3.01 WARN Obligations. Before and after the Effective Time, each Party shall comply in all material respects with the Worker Adjustment and Retraining Notification Act and similar state and local laws ("WARN"). As of the Effective Time, New BBX Capital and its Affiliates shall be responsible for all obligations and liabilities under WARN relating to the New BBX Capital Employees arising from mass layoffs or plant closings (each as defined under WARN) occurring on or after the Effective Time, and Parent shall be responsible for all obligations and liabilities under WARN arising from mass layoff or plant closings (each as defined under WARN) occurring prior to the Effective Time.

Section 3.02 Last Payroll; Payroll Taxes and Reporting.

(a) On the applicable Parent Group member's first ordinary payroll date occurring on or after the Effective Time, Parent shall cause to be paid to all New BBX Capital Employees all unpaid wages and other compensation due and payable through the Effective Time.

(b) Parent and New BBX Capital (i) shall, to the extent practicable, treat New BBX Capital (or a New BBX Capital Group member designated by New BBX Capital) as a "successor employer" and Parent (or the appropriate Parent Group member) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, with respect to New BBX Capital Employees for purposes of taxes imposed under the United States Federal Unemployment Tax Act or the United States Federal Insurance Contributions Act, and (ii) hereby agree to use commercially reasonable efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53. Without limiting in any manner the obligations and Liabilities of the Parties under the Tax Matters Agreement, New BBX Capital and each New BBX Capital Group member shall bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation of New BBX Capital Employees earned after the Effective Time.

ARTICLE IV
OTHER MATTERS

Section 4.01 <u>Sharing of Information; Audit Rights with Respect to Information Provided; Privilege</u>.

(a) Subject to applicable Law, Parent and New BBX Capital shall share, and shall cause each member of its respective Group to reasonably cooperate with the other Party hereto to (i) share, with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the Parent Benefit Plans and the New BBX Capital Benefit Plans, (ii) facilitate the transactions and activities contemplated by this Agreement and (iii) resolve any and all employment-related claims regarding Employees.

(b) Each of Parent and New BBX Capital, and their duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information provided to it by the other Party. The Parties shall cooperate to determine the procedures and guidelines for conducting audits under this Section 4.01, which shall require reasonable advance written notice by the auditing Party. The auditing Party shall have the right to make copies of any records at its expense, subject to applicable Law.

(c) The foregoing paragraphs (a) and (b) and the other provisions herein requiring the Parties to cooperate shall not be deemed to be a waiver of the attorney-client privilege for the Parties nor shall it require the Parties to waive their attorney-client privilege. In the event of any conflict between the applicable terms of the Separation Agreement and the terms of this Agreement with respect to matters relating to attorney-client privilege, the work product doctrine and all other evidentiary privileges and nondisclosure doctrines, the applicable terms of the Separation Agreement, as applicable (including Section 6.8 of the Separation Agreement), shall prevail.

(d) The parties hereby agree that the confidentiality provisions of the Separation Agreement shall apply to all information and material furnished by either Party or its representatives hereunder to the other Party or any of its representatives, including, without limitation, any information shared pursuant to this Section 4.01.

Section 4.02 <u>Fiduciary Matters</u>. Each of Parent and New BBX Capital acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are reasonably deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 4.03 <u>Consent of Third Parties</u>. If any provision of this Agreement is dependent on the consent of any Third Party (including any Governmental Authority) and such consent is withheld, Parent and New BBX Capital shall use commercially reasonable best efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be so implemented due to the failure of such Third Party to consent, Parent and New BBX Capital shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "commercially reasonable best efforts" as used herein shall not be construed to require the incurrence of any non-routine or unreasonable expense or Liability or the waiver of any right.

Section 4.04 Reimbursement. From time to time after the Effective Time, the Parties shall promptly reimburse one another, upon reasonable request of the Party requesting reimbursement and the presentation by such Party of such substantiating documentation as the other Party shall reasonably request, for the cost of any Liabilities satisfied or assumed by the Party requesting reimbursement or its Affiliates that are made, pursuant to this Agreement, the responsibility of the other Party or any of its Affiliates.

ARTICLE V
MISCELLANEOUS

Section 5.01 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties pursuant hereto, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

Section 5.02 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by either Party without the prior written consent of the other Party, except that each Party may assign (a) any or all of its rights and obligations under this Agreement to any of its Subsidiaries and (b) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any of its assets or entities or lines of business; provided, however, that, in each case, no such assignment shall release such Party from any liability or obligation under this Agreement and any assignee shall agree in writing to be bound by the terms and conditions contained in this Agreement. Any attempted assignment or delegation in breach of this Section 5.02 shall be null and void. This Agreement is for the sole benefit of the Parties to this Agreement and their respective Subsidiaries and their successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 5.03 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to either of the Parties hereto to the same extent as if such successor had been an original party to this Agreement.

Section 5.04 Survival of Covenants. The covenants and agreements of the Parties contained in this Agreement shall survive the Distribution and remain in full force and effect in accordance with their applicable terms.

Section 5.05 Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

Section 5.06 Counterparts. This Agreement may be executed in two or more counterparts (including by electronic or .pdf transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of any signature page by facsimile, electronic or pdf. transmission shall be binding to the same extent as an original signature page.

Section 5.07 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

Section 5.08 Notices. All notices and other communications among the Parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (c) when delivered by FedEx or other nationally recognized overnight delivery service or (d) when delivered by facsimile (solely if receipt is confirmed) or email (so long as the sender of such email does not receive an automatic reply from the recipient's email server indicating that the recipient did not receive such email), addressed as follows:

If to Parent:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: Chairman
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

If to New BBX Capital:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: President
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A. 150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

or, in each case, to such other address as the Parties hereto may from time to time designate in writing.

Section 5.09 Further Assurances. Each Party hereto agrees that it will execute and deliver or cause its respective Affiliates to execute and deliver such further instruments, and take (or cause their respective Affiliates to take) such other actions, as may be reasonably necessary to carry out the purposes and intents of this Agreement.

Section 5.10 Amendment; Waiver. Subject to any limitations expressly set forth in the Information Statement, except as expressly set forth to the contrary herein, prior to the Effective Time, this Agreement may be amended and any provision waived, in whole or in part, by Parent, in its sole discretion, by execution of a written document evidencing the same delivered to New BBX Capital. Following the Effective Time, no provision of this Agreement shall be waived or amended unless in writing and, in the case of a waiver, signed by an authorized representative of the waiving Party and, in the case of an amendment, signed by an authorized representative of each Party. No waiver by any of the Parties of any provision or breach hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent breach hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 5.11 Entire Agreement. This Agreement, the other Ancillary Agreements and the Separation Agreement constitute the entire agreement among the Parties relating to the transactions contemplated hereby and supersede any other agreements, whether written or oral, that may have been made or entered into by or among any of the Parties or any of their respective Subsidiaries relating to the transactions contemplated hereby. No representations, warranties, covenants, understandings, agreements, oral or otherwise, relating to the transactions contemplated by this Agreement exist between the Parties, except as expressly set forth in this Agreement, the other Ancillary Agreements or the Separation Agreement.

Section 5.12 Expenses. Except as otherwise provided in this Agreement or the Separation Agreement, whether or not the Distribution or the other transactions contemplated by the Separation Agreement are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs or expenses.

Section 5.13 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by the Parties to this Agreement.

Section 5.14 Effectiveness; Termination. The effectiveness of this Agreement and the obligations and rights created hereunder are subject to, and conditioned upon, the completion of the Distribution pursuant to the terms of the Separation Agreement and shall terminate automatically without any further action of the Parties upon a termination of the Separation Agreement prior to the Effective Time. Once effective, this Agreement shall remain in force and be binding so long as any obligations hereunder remain applicable, unless earlier terminated upon mutual written consent of the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

BBX CAPITAL CORPORATION

By: ______________________________
Name: Alan B. Levan
Title: Chairman and Chief Executive Officer

BBX CAPITAL FLORIDA LLC

By: ______________________________
Name: Jarett S. Levan
Title: President and Chief Executive Officer

Schedule 1
Continuing Employees

Name	Position with Parent following Spin-Off	Employee of New BBX Capital following Spin-Off (Yes or No)

TRANSITION SERVICES AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement"), dated as of _______, 2020, is by and among BBX Capital Corporation, a Florida corporation ("Parent"), and BBX Capital Florida LLC, a Florida limited liability company ("New BBX Capital"). Each of Parent and New BBX Capital is sometimes referred to herein as a "Party" and, collectively, as the "Parties." For purposes of this Agreement, capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in the Separation Agreement (as defined below).

RECITALS

WHEREAS, the Board of Directors of Parent has determined that it is advisable and in the best interests of Parent and its shareholders that New BBX Capital, which is currently a wholly owned subsidiary of Parent and holds (or in accordance with the terms of the Separation Agreement will hold) the subsidiaries and investments which comprise or operate the New BBX Capital Business, be converted into a Florida corporation and become a separate, public company through the spin-off of New BBX Capital, with Parent retaining the Bluegreen Business and continuing as a public company and "pure play" Bluegreen holding company;

WHEREAS, in furtherance of the foregoing, on the date hereof, Parent and New BBX Capital have entered into a Separation and Distribution Agreement (the "Separation Agreement") pursuant to which, subject to the terms and conditions thereof, the assets and liabilities of the Bluegreen Business will be separated from those of the New BBX Capital Business (the "Separation") and thereafter Parent will distribute 100% of the issued and outstanding shares of New BBX Capital Common Stock pro rata to holders of Parent Common Stock (the "Distribution" and, collectively with the Separation, the "Spin-Off"), all as more fully described in the Separation Agreement;

WHEREAS, to facilitate and provide for an orderly transition in connection with theSpin-Off, the Parties desire to enter into this Agreement to set forth the terms pursuant to which each of the Parties shall provide Services to the other Party for a transitional period;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

Article I. Services

Section 1.01 Services.

(a) With respect to each applicable service set forth on Schedule 1 hereto (the 'Services"), the Party identified on Schedule 1 hereto as the "Provider" of such Service (in such capacity, the "Provider") agrees to provide, or to cause one or more members of its Group to provide, such Service to the other Party (in such capacity, the "Recipient"), or any members of the Recipient's Group, in each case, for the period commencing on the date on which the Effective Time occurs (the "Effective Date") and ending on the earlier of (i) the date that a Party terminates the provision of such Service pursuant to Section 4.02 and (ii) the date set forth on Schedule 1 as the expiration date with respect to the provision of such Service (the "Service Period"). The Parties acknowledge and agree that the "Service" as described on Schedule 1 may be amended or modified, or added to with greater specificity, by the Parties following the Effective Date, via a revision of such Schedule 1 duly executed by an authorized officer of each of the Parties.

(b) At any time during the term of this Agreement, either Party may request that the other Party provide or cause its Group or any member thereof to provide additional services hereunder ("Additional Services") by providing written notice of such request, it being understood that the Party that receives such request may in its sole discretion decline to provide such requested Additional Services. If a Provider agrees to undertake to provide the Additional Services, upon the mutual written agreement as to the nature, cost, duration and scope of such Additional Services, the Parties shall supplement in writing the Services set forth on Schedule 1 to include such Additional Services. Except where the context otherwise indicates or requires, any such Additional Services specified on Schedule 1 or so agreed upon in writing by the Parties shall be deemed to be "Services" under this Agreement.

Section 1.02 Performance of Services.

(a) The Provider shall perform, or shall cause one or more members of its Group to perform, all Services to be provided by the Provider in a manner that is based on its past practice and that is substantially similar in all material respects to such Services (or analogous services) provided by or on behalf of Parent or any of its Subsidiaries (including for these purposes New BBX Capital and its Subsidiaries) with respect to the Bluegreen Business or the New BBX Capital Business, as applicable, generally during the twelve (12) months prior to the Effective Date (collectively referred to as the "Level of Service"). Subject to the performance Level of Service, the Provider may make changes from time to time in the manner of performing the Services if the Provider is making similar changes in performing analogous services for itself or its Group and if the Provider furnishes to the Recipient reasonable prior written notice of such changes. No such change shall materially adversely affect the timeliness or quality of the applicable Service. The Provider shall not be obligated to perform or to cause to be performed any Service in a manner that is materially more burdensome (with respect to service quality, service quantity, or allocation of personnel or resources) than the Level of Service, except as may otherwise be agreed to in writing by the Parties. Without limiting the generality of the foregoing, except as may otherwise be agreed to in writing by the Parties, the Provider shall not be required by any provision hereunder to maintain the employment of any specific employee(s), hire additional employees or Third-Party service providers or purchase, lease or license any additional equipment, software or other assets or properties in order to provide the Services hereunder.

(b) Nothing in this Agreement shall require the Provider to perform or cause to be performed any Service to the extent that the manner of such performance would constitute a violation of any applicable Law or any existing Contract with a Third Party. As between the Parties, the Provider shall be the party that determines, in its sole discretion, whether to communicate with and, if so determined, shall be the party that communicates with Third Parties in connection with any necessary Third Party consents required under any existing Contract with a Third Party to allow the Provider to perform, or cause to be performed, the applicable Services to be provided to the Recipient (or any member of its Group) hereunder, with any such communications to be in the sole discretion of Provider. Unless otherwise agreed in writing by the Parties, all reasonable and documented out-of-pocket costs and expenses (if any) incurred by any Party or any member of its Group in connection with obtaining any Third Party consent that is required to allow the Provider to perform or cause to be performed any Services hereunder shall be paid for by the Recipient (or a member of its Group).

(c) Each Party shall perform all Services required to be performed by it hereunder in compliance with any and all applicable Laws and shall obtain and/or maintain in force all licenses, consents, permits and regulatory approvals that are necessary in connection with this Agreement. Neither Party assumes any responsibility for compliance by the other Party with any Laws applicable to the other Party (and, for the avoidance of doubt, New BBX Capital shall be responsible for ensuring that the operations of the New BBX Capital Business complies with all applicable Laws following the Effective Time).

(d) Neither the Provider nor any member of its Group shall be required to perform or to cause to be performed any of the Services for the benefit of any Third Party or any other Person other than the Recipient and the members of its Group in accordance with the terms hereof. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 1.02 OR IN SECTION 6.03, EACH PARTY ACKNOWLEDGES AND AGREES THAT ALL SERVICES ARE PROVIDED ON AN "AS-IS" BASIS, THAT THE RECIPIENT ASSUMES ALL RISK AND LIABILITY ARISING FROM OR RELATING TO ITS USE OF AND RELIANCE UPON THE SERVICES, AND THAT THE PROVIDER MAKES NO OTHER REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, WITH RESPECT TO THE SERVICES. EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

Section 1.03 Fees; Payment.

(a) Recipient shall pay or cause its Group member to pay to Provider the fees set forth on Schedule 1 with respect to each Service. Notwithstanding the fees set forth on Schedule 1, in the event that the Provider determines that a different fee for a Service is required as a result of a change in applicable Law (and results from changes or developments generally applicable to the Provider or its Affiliates), then such different fee may be charged with respect to such Service starting with the billing month immediately following the billing month in which the Provider provides written notice to the Recipient of such change if provided no later than two (2) weeks prior to the first day of such billing month, and, otherwise, on the next succeeding billing month. In addition, the Recipient will also be responsible for payment of all Covered Taxes applicable to the fees paid to the Provider hereunder for the Services and any Third Party costs and expenses and other out-of-pocket costs and expenses that the Provider incurred in providing the Services in accordance with the terms hereof.

(b) The Provider shall provide the Recipient with invoices on a monthly basis for the applicable Services rendered by the Provider (or a member of its Group) during the preceding calendar month. Such invoices shall be paid by the Recipient within thirty (30) days of the date thereof. Amounts invoiced that remain unpaid after thirty (30) days will bear interest, accruing daily and being calculated and payable monthly in arrears on the last day of each and every month, at the lesser of ten percent (10%) per annum and the maximum rate allowed by applicable Law. Each Party may, in good faith, dispute any invoice issued hereunder by written notice of such dispute delivered to the other Party prior to the date payment is due on the disputed invoice listing all disputed items and providing a description of the dispute (it being agreed that all amounts not so disputed shall be timely paid). Each Party shall negotiate such invoice dispute in good faith for the purposes of resolving such dispute.

Section 1.04 Transitional Nature of Services; Cooperation. The Parties acknowledge the transitional nature of the Services and agree to use commercially reasonable efforts in good faith to cooperate with the other Party in all matters relating to the provision and receipt of the Services. Neither Party will have any liability for any failure to perform (or to timely perform) its obligations if such failure results from any member of the other Party's Group's failure to cooperate in any applicable matter relating to the provision and receipt of the Services hereunder, and any such failure to provide Services in such circumstances will not be deemed a breach of this Agreement. Notwithstanding anything to the contrary in this Agreement, in no event shall either Party's obligation to cooperate with the other Party require such first Party to (a) advance funds to, or on behalf of, the other Party, (b) assume any liability or obligation of the other Party, or (c) to incur any new liability or obligation to any Third Party. To the extent any Service requires either Party to disburse funds on behalf of the other Party, upon written notice by such first Party (which such notice may be based on an estimated amount subject to a subsequent "true-up" to the actual amount disbursed by such first Party), the other Party shall provide such funds to such first Party (subject, in the case of any estimated amount, to any subsequent "true-up"), in advance of such disbursement by such first Party.

Section 1.05 Subcontracting. A Provider may hire or engage one or more Third Parties to perform any or all of its obligations under this Agreement; provided, however, that (a) such Provider shall use the same degree of care (but at least reasonable care) in selecting each such Third Party as it would if such Third Party was being retained to provide similar services to the Provider or its Group and (b) such Provider shall in all cases remain primarily responsible for all of its obligations under this Agreement with respect to the Services.

Article II. OTHER ARRANGEMENTS

Section 2.01 Access. The Recipient shall, and shall cause the members of its Group to, allow the Provider and the members of its Group and their respective Representatives reasonable access to the facilities of the Recipient and the members of its Group that is necessary for the Provider to fulfill its obligations under this Agreement. In addition to the foregoing right of access, the Recipient shall, and shall cause the members of its Group to, afford the Provider and the members of its Group and their respective Representatives, upon reasonable advance written notice, reasonable access during normal business hours to the facilities, Information, systems, infrastructure and personnel of the Recipient and the members of its Group as reasonably necessary for the Provider to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with the Services being provided by the Provider or the members of the Provider Group, including in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided that (i) such access shall not unreasonably interfere with any of the business or operations of the Recipient or any member of its Group and (ii) in the event that the Recipient determines that providing such access could be commercially detrimental, violate any applicable Law or agreement or waive any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit such access in a manner that avoids such harm and consequence. The Provider agrees that all of its and its Group's employees shall, and that it shall use commercially reasonable efforts to cause its Representatives' employees to, when on the property of the Recipient or a member of the Recipient's Group, or when given access to any facilities, Information, systems, infrastructure or personnel of the Recipient or a member of the Recipient's Group, conform to the policies and procedures of the Recipient and the members of the Recipient's Group, as applicable, concerning health, safety, conduct and security which are made known or provided to the Provider from time to time.

Section 2.02 Audit Assistance. Each of the Parties and the members of their respective Groups are or may be subject to regulation, examination and audit by a Governmental Authority (including a Governmental Authority with respect to Taxes) or parties to Contracts with such Parties or the members of their Groups. If such a Third Party (including any Governmental Authority) exercises its right to examine or audit such Party's or a member of its Group's books, records, documents or accounting practices and procedures pursuant to such applicable Law or Contract provisions, and such examination or audit relates to the Services, then the other Party shall provide, at the sole cost and expense of the requesting Party (except if related to the Recipient's receipt of Services, in which case such cost and expense shall be the Recipient's responsibility), all assistance reasonably requested by the Party that is subject to the examination or audit in responding to such examination or audits or requests for Information, to the extent that such assistance or Information is within the reasonable control of the cooperating Party and is related to the Services. The requesting Party shall consult and cooperate with the cooperating Party to limit the scope of any such examination or audit to the extent reasonably possible.

Section 2.03 Title to Intellectual Property. Except as otherwise expressly provided for under this Agreement or the Separation Agreement, the Recipient acknowledges that it shall acquire no right, title or interest (including any license rights or rights of use) in any Intellectual Property which is owned or licensed by the Provider, by reason of the provision of the Services hereunder (other than the receipt and use of the Services by the Recipient during the term of this Agreement as contemplated hereunder). The Recipient shall not remove or alter any copyright, trademark, confidentiality or other proprietary notices that appear on any Intellectual Property owned or licensed by the Provider, and the Recipient shall reproduce any such notices on any and all copies thereof. The Recipient shall not attempt to decompile, translate, reverse engineer or make unnecessary copies of any Intellectual Property owned or licensed by the Provider, and the Recipient shall promptly notify the Provider of any such attempt, regardless of whether by the Recipient or any Third Party, of which the Recipient becomes aware.

Section 2.04 Information Transmission. The Provider, on behalf of itself and the members of its Group, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the Recipient, in accordance with and subject to the terms and conditions hereof and of the Separation Agreement, any Information received or computed by the Provider for the benefit of the Recipient concerning the relevant Service during the Service Period.

Article III. TAXES

Section 3.01 Taxes.

(a) The Recipient shall pay, or reimburse the Provider for, any and all sales, use, value-added, goods and services, services, excise, consumption, transfer or similar Taxes, and any related penalties and interest, arising from the payment of fees to the Provider under this Agreement (other than any taxes measured by or imposed on the Provider's gross or net income, or franchise or other similar Taxes of the Provider) ("Covered Taxes").

(b) Where required by applicable Law, the Recipient shall pay any Covered Taxes directly to the relevant Governmental Authority in compliance with applicable Law. If any Covered Taxes are assessed on the receipt of fees by the Provider under this Agreement, the Provider shall notify the Recipient, pay such Covered Taxes directly to the applicable Governmental Authority and promptly provide the Recipient with an official receipt showing such payment, and the Recipient shall (without duplication) reimburse the Provider for such Covered Taxes.

(c) In the event that applicable Law requires any Covered Taxes to be withheld from a payment of fees under this Agreement, the Recipient shall make such required withholding, pay such withheld amounts over to the applicable Governmental Authority in compliance with applicable Law, and increase the amount payable to the Provider as necessary so that, after the Recipient has withheld such amounts, the Provider receives an amount equal to the amount the Provider would have received had no such withholding been required.

(d) The Recipient and the Provider shall use commercially reasonable efforts, and shall cooperate with each other in good faith, to secure (and to enable the Recipient to claim) any exemption from, or otherwise to minimize, any Covered Taxes or to claim a Tax Refund therefor or tax credit in respect thereof, and the Recipient shall not be responsible for any Covered Taxes to the extent that such Covered Taxes would not have been imposed if (i) the Provider was eligible to claim an exemption from or reduction of such Covered Taxes, (ii) the Recipient used commercially reasonable efforts to notify the Provider of such eligibility reasonably in advance and (iii) the Provider failed to claim such exemption or reduction. If the Provider receives a Refund with respect to any Covered Taxes paid or borne by the Recipient under this Agreement, the Provider shall promptly pay such refund to the Recipient net of costs and expenses (including any additional Taxes) incurred by the Provider in connection with the receipt of such Refund or the payment of such Refund to the Recipient net of costs and expenses (including any additional Taxes) incurred by the Provider in connection with the receipt of such Refund or the payment of such Refund to the Recipient.

(e) Except as mutually agreed to in writing by the Parties, neither Party or any member of its Group shall have any right ofset-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or (b) any other amounts claimed to be owed to the other Party or any of member of its Group arising out of this Agreement.

Article IV. TERM AND TERMINATION

Section 4.01 Term. This Agreement shall commence upon the Effective Date and shall terminate upon the earliest to occur of :(a) the last date on which either Party is obligated to provide any Service to the other Party in accordance with the terms of this Agreement; (b) termination of this Agreement in its entirety at the election of either Party by delivery of written notice of termination to the other Party at least 90 days prior to the effective date of termination (provided no such termination under this clause (b) may become effective prior to the one-year anniversary of the Effective Date); and (c) the mutual written agreement of the Parties to terminate this Agreement in its entirety. In addition, unless otherwise terminated pursuant to Section 4.02, this Agreement shall terminate with respect to each Service as of the close of business on the last day of the Service Period for such Service or earlier upon the mutual written agreement of the Parties.

Section 4.02 Early Termination.

(a) The Recipient may from time to time terminate this Agreement in its entirety or with respect to any individual Service if the Provider has failed to perform any of its material obligations under this Agreement with respect to such Service, and such failure shall continue to be uncured for a period of thirty (30) days (or ninety (90) days if Provider is using good-faith efforts to so cure during such thirty (30) day period and thereafter) after receipt by the Provider of written notice of such failure from the Recipient; provided, however, that any such termination may only be effective as of the last day of a month; provided, further, that the Recipient shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties as to whether the Provider has breached this Agreement or cured any such breach.

(b) The Provider may from time to time terminate this Agreement in its entirety or with respect to any individual Service if the Recipient has failed to perform any of its material obligations under this Agreement relating to such Service, including making undisputed payments when due, and such failure shall continue to be uncured for a period of thirty (30) days (or ninety (90) days if Recipient is using good-faith efforts to so cure during such thirty (30) day period and thereafter; provided such extended cure period shall not apply to the failure to pay any undisputed payments) after receipt by the Recipient of a written notice of such failure from the Provider; provided, however, that any such termination may only be effective as of the last day of a month; provided, further, that the Provider shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties as to whether the Recipient has breached this Agreement or cured any such breach.

Section 4.03 Interdependencies. The Parties acknowledge and agree that: (a) there may be interdependencies among the Services being provided under this Agreement; (b) upon the request of either Party, the Parties shall cooperate and act in good faith to determine whether (i) any such interdependencies exist with respect to the particular Service that a Party is seeking to terminate pursuant to Section 4.02 and (ii) in the case of such termination, the Provider’s ability to provide a particular Service in accordance with this Agreement would be materially and adversely affected by such termination of another Service; and (c) in the event that the Parties have determined that such interdependencies exist (and, in the case of such termination that the Provider’s ability to provide a particular Service in accordance with this Agreement would be materially and adversely affected by such termination), the Parties shall negotiate in good faith to amend Schedule 1 with respect to such termination of such impacted Service, which amendment shall be consistent with the terms of comparable Services. To the extent that the Provider’s ability to provide a Service is dependent on the continuation of a specified Service, the Provider’s obligation to provide such dependent Service shall terminate automatically with the termination of such supporting Service.

Section 4.04 Effect of Termination. Upon the termination of any Service pursuant to this Agreement, the Provider of the terminated Service shall have no further obligation to provide the terminated Service.

Article V. CONFIDENTIALITY

Section 5.01 Confidentiality. The Parties hereby agree that the confidentiality provisions of the Separation Agreement shall apply to all information and material furnished or otherwise made available by any Party or any member of its Group, or any of their respective Representatives, to the other Party or any member of its Group, or any of their respective Representatives.

Article VI. LIMITED LIABILITY AND INDEMNIFICATION

Section 6.01 Limitations on Liability.

(a) EXCEPT IN THE CASE OF WILLFUL MISCONDUCT OR FRAUD, THE LIABILITIES OF THE PROVIDER AND ITS GROUP MEMBERS, COLLECTIVELY, UNDER THIS AGREEMENT FOR ANY AND ALL ACTS OR FAILURES TO ACT IN CONNECTION HEREWITH (INCLUDING THE PERFORMANCE OR BREACH OF THIS AGREEMENT), OR FROM THE SALE, DELIVERY, PROVISION OR USE OF ANY AND ALL SERVICES PROVIDED UNDER OR CONTEMPLATED BY THIS AGREEMENT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, SHALL NOT IN THE AGGREGATE EXCEED FIFTY (50%) PERCENT OF THE FEES PAID OR PAYABLE TO THE PROVIDER HEREUNDER. IN NO EVENT SHALL THE PROVIDER OR ANY OF ITS GROUP MEMBERS BE LIABLE FOR THE ACTS, FAILURE TO ACT, OR OMISSIONS OF ANY THIRD PARTY PROVIDER (OR THE EMPLOYEES OR REPRESENTATIVES THEREOF) OTHER THAN IN RESPECT OF ANY SUBCONTRACTOR ENGAGED PURSUANT TO SECTION 1.05.

(B) OTHER THAN ANY SUCH LIABILITY EXPRESSLY PERMITTED BY THE SEPARATION AGREEMENT, IN NO EVENT SHALL EITHER PARTY OR THE MEMBERS OF ITS GROUP BE LIABLE TO THE OTHER PARTY OR THE MEMBERS OF ITS GROUP FOR ANY INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT (SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 6.01(a)), AND EACH PARTY HEREBY WAIVES ON BEHALF OF ITSELF AND THE MEMBERS OF ITS GROUP ANY CLAIM FOR SUCH DAMAGES, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

Section 6.02 Recipient Indemnity. In addition to (but not in duplication of) any other indemnification obligations under the Separation Agreement, this Agreement or any other Ancillary Agreement, but subject to the limitations set forth in Section 6.01, the Recipient shall indemnify, defend and hold harmless the Provider, the members of the Provider's Group and each of their respective Representatives, and each of the successors and permitted assigns of any of the foregoing (collectively, the "Provider Indemnitees"), from and against any and all claims of Third Parties to the extent relating to, arising out of or resulting from the Provider's provision of the Services hereunder, other than Third Party Claims to the extent arising out of the gross negligence, willful misconduct or fraud of Provider or a member of Provider's Group.

Section 6.03 Provider Indemnity. In addition to (but not in duplication of) any other indemnification obligations under the Separation Agreement, this Agreement or any other Ancillary Agreement, but subject to the limitations set forth in Section 6.01, the Provider shall indemnify, defend and hold harmless the Recipient, the members of the Recipient's Group and each of their respective Representatives, and each of the successors and permitted assigns of any of the foregoing (collectively, the "Recipient Indemnitees"), from and against any and all Liabilities to the extent relating to, arising out of or resulting from the gross negligence, willful misconduct or fraud of Provider or a member of Provider's Group in connection with the provision of Services hereunder.

Section 6.04 Indemnification Procedures. The procedures for indemnification set forth in Separation Agreement shall govern claims for indemnification under this Agreement, *mutatis mutandis*.

Article VII. MISCELLANEOUS

Section 7.01 Independent Contractors. The Parties each acknowledge and agree that they are separate entities, each of which has entered into this Agreement for independent business reasons. The relationships of the Parties hereunder are those of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or any other relationship between the Parties or the respective members of its Group. Employees performing Services hereunder do so on behalf of, under the direction of, and as employees of, the Provider, and neither the Recipient nor any member of its Group shall have any right, power or authority to direct such employees with respect to the provision of such Services.

Section 7.02 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by either Party without the prior written consent of the other Party, except that each Party may assign (a) any or all of its rights and obligations under this Agreement to any of its Subsidiaries or other members of its Group and (b) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any of its assets or entities or lines of business; provided, however, that no such assignment shall release such Party from any liability or obligation under this Agreement and any assignee (other than any assignee of obligations expressly contemplated hereby) shall agree in writing to be bound by the terms and conditions contained in this Agreement. Any attempted assignment or delegation in breach of this Section 7.02 shall be null and void. Except as provided in Article VI with respect to Provider Indemnitees and Recipient Indemnities, this Agreement is for the sole benefit of the Parties to this Agreement and the members of their respective Groups and their respective successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.03 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to either of the Parties hereto to the same extent as if such successor had been an original party to this Agreement.

Section 7.04 Survival of Covenants. The covenants and agreements of the Parties contained in this Agreement shall survive the Distribution and remain in full force and effect in accordance with their applicable terms.

Section 7.05 Counterparts. This Agreement may be executed in two or more counterparts (including by electronic or .pdf transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of any signature page by facsimile, electronic or pdf. transmission shall be binding to the same extent as an original signature page.

Section 7.06 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

Section 7.07 Notices. All notices and other communications among the Parties shall be in writing and shall be deemed to have been duly given (a) when delivered in person, (b) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (c) when delivered by FedEx or other nationally recognized overnight delivery service or (d) when delivered by facsimile (solely if receipt is confirmed) or email (so long as the sender of such email does not receive an automatic reply from the recipient's email server indicating that the recipient did not receive such email), addressed as follows:

If to Parent:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: Chairman
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

If to New BBX Capital:

401 East Las Olas Boulevard, Suite 800
Fort Lauderdale, FL 33301
Attn: President
Email:
Fax:

with a copy (which will not constitute notice) to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Alison W. Miller
Fax:
Email:

or, in each case, to such other address as the Parties hereto may from time to time designate in writing.

Section 7.08 Further Assurances. Each Party hereto agrees that it will execute and deliver or cause each member of its respective Groups to execute and deliver such further instruments, and take (or cause each member of their respective Groups to take) such other actions, as may be reasonably necessary to carry out the purposes and intents of this Agreement.

Section 7.09 Amendment; Waiver. Subject to any limitations expressly set forth in the Information Statement, except as expressly set forth to the contrary herein, prior to the Effective Time, this Agreement may be amended and any provision waived, in whole or in part, by Parent, in its sole discretion, by execution of a written document evidencing the same delivered to New BBX Capital. Following the Effective Time, no provision of this Agreement shall be waived or amended unless in writing and, in the case of a waiver, signed by an authorized representative of the waiving Party and, in the case of an amendment, signed by an authorized representative of each Party. No waiver by any of the Parties of any provision or breach hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent breach hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 7.10 Entire Agreement. This Agreement (including Schedule 1 hereto), the other Ancillary Agreements and the Separation Agreement constitute the entire agreement among the Parties relating to the transactions contemplated hereby and supersede any other agreements, whether written or oral, that may have been made or entered into by or among any of the Parties or any of their respective Subsidiaries relating to the transactions contemplated hereby.

Section 7.11 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, Schedule, paragraph, and clause are references to the Articles, Sections, Schedules, paragraphs, and clauses, as the case may be, of this Agreement unless otherwise specified; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement; (d) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless otherwise specified; (e) the word "or" shall not be exclusive; (f) references to "written" or "in writing" include in electronic form; (g) provisions shall apply, when appropriate, to successive events and transactions; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) Parent and New BBX Capital have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (j) a reference to any Person includes such Person's successors and permitted assigns.

Section 7.12 Effectiveness. The effectiveness of this Agreement and the obligations and rights created hereunder are subject to, and conditioned upon, the completion of the Distribution pursuant to the terms of the Separation Agreement and shall terminate automatically without any further action of the Parties upon a termination of the Separation Agreement prior to the Effective Time.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

BBX CAPITAL CORPORATION

By: ____________________________
Name: Alan B. Levan
Title: Chairman and Chief Executive Officer

BBX CAPITAL FLORIDA LLC

By: ____________________________
Name: Jarett S. Levan
Title: President and Chief Executive Officer

Schedule 1

Services; Service Period; Fees

Service	Provider (Parent, New BBX Capital or Both)	Service Period*	Fees
Executive Office:		12 months	
ABL and JEA Administrative Staff:		12 months	
Finance:		12 months	
Taxation:		12 months	
Legal/Compliance:		12 months	
Investor Relations:		12 months	
Risk:		12 months	
Information Technology:		12 months	
Marketing & Product Management:		12 months	
Operations:		12 months	
Human Resources:		12 months	
Payroll:		12 months	
Back Office/Computers/Communications:		12 months	
Websites and Domains:		12 months	
Software:		12 months	
Regulatory:		12 months	
SEC and OTC Compliance:		12 months	
Asset maintenance:		12 months	
Real Estate:		12 months	

* Service Period is subject to extension upon mutual written agreement of the Parties.

Subsidiaries of BBX Capital Florida LLC i	Jurisdiction of Organization
Eden Services, Inc.	Florida
BankAtlantic Financial Ventures II, LLC	Florida
I.R.E. Property Analysts, Inc.	Florida
I.R.E. Energy 1981, Inc.	Florida
Kingsway Services Inc.	Florida
Risk Management Services, LLC	Florida
BFC/CCC, Inc.	Florida
B-D2 Holdings, LLC	Florida
B-DJ Holdings, LLC	Florida
B-26 Holdings, LLC	Florida
D-2 Acquisition	Florida
BBX Capital Captive Insurance Company, LLC	Tennessee
Las Olas Confections and Snacks, Inc.	Florida
Confections by Design, LLC	Florida
LAS Trademark, LLC	Florida
BBX Capital Real Estate, LLC	Florida
BBX Capital Partners, LLC	Florida
BBX Sweet Holdings, LLC	Florida
Food for Thought Restaurant Group – Florida, LLC	Florida
Renin Holdings, LLC	Florida
Subsidiaries of BBX Capital Real Estate, LLC	
BBX Partners, Inc.	Florida
BBX Capital Asset Management, LLC	Florida
Florida Asset Resolution Group, LLC	Florida
BBX Altman Operating Entities, LLC	Florida
BBX Altis Projects, LLC	Florida
BBX Capital Real Estate Investments, LLC	Florida
BBX Las Olas Investments, LLC	Florida
BBX Sky Cove, LLC	Florida
BBX Altman Holdings, LLC	Florida
Subsidiaries of BBX Partners Inc.	
Heartwood Partners 1, LLC	Florida
Heartwood Partners 2, LLC	Florida
Heartwood Partners 3, LLC	Florida
Subsidiaries of BBX Capital Asset Management, LLC	
BBX Chapel Trail, LLC	Florida
BBX Shingle Creek, LLC	Florida
BBX Miramar, LLC	Florida
BBX Centra, LLC	Florida
FL Cell Tower, LLC	Florida

BBX Bonterra Multifamily, LLC	Florida
BBX Gardens Multifamily, LLC	Florida
BBX Austin, LLC	Florida
BBX Hialeah Apartments, LLC	Florida
Hialeah Multifamily, LLC	Florida
BBX Residential Victoria Park, LLC	Florida
Premier Flagler, LLC	Florida
Banc Servicing Center, LLC	Florida
Fidelity Service, LLC	Florida
Fidelity Tax, LLC	Florida
Heartwood 3, LLC	Florida
Heartwood 4, LLC	Florida
Heartwood 7, LLC	Florida
Heartwood 11, LLC	Florida
FL Billboards, LLC	Florida
Heartwood 18, LLC	Florida
Heartwood 19, LLC	Florida
Heartwood 21, LLC	Florida
Heartwood 23, LLC	Florida
Heartwood 24, LLC	Florida
Heartwood 40, LLC	Florida
Heartwood 41, LLC	Florida
Heartwood 42, LLC	Florida
Heartwood 44, LLC	Florida
Heartwood 47, LLC	Florida
Heartwood 50, LLC	Florida
Heartwood 88, LLC	Florida
Heartwood 90, LLC	Florida
Heartwood 91, LLC	Florida
Heartwood 91-2, LLC	Florida
Heartwood 91-3, LLC	Florida
Heartwood 91-4, LLC	Florida
Heartwood 92, LLC	Florida
BBX Grand Central, LLC	Florida
BBX Promenade, LLC	Florida
BBX Ludlam-Miami, LLC	Florida
Subsidiary of Heartwood 91-2, LLC	
Unique Restaurant of Mizner Park Inc.	Florida
Subsidiaries of Florida Asset Resolution Group, LLC	
Heartwood 58, LLC	Florida
FAR Holdings Group, LLC	Florida
Subsidiaries of Heartwood 58, LLC	
FT Properties, LLC	Florida
Sunrise Atlantic, LLC	Florida

Heartwood 45, LLC	Florida
Heartwood 56, LLC	Florida
Heartwood 57, LLC	Florida

Subsidiaries of FAR Holdings Group, LLC

Heartwood 2, LLC	Florida
Heartwood 43, LLC	Florida
Heartwood 55, LLC	Florida
FAR 1, LLC	Florida
FAR 2, LLC	Florida
FAR 3, LLC	Florida
FAR 4, LLC	Florida
FAR 5, LLC	Florida
FAR 6, LLC	Florida
SHL Holdings, Inc.	Florida

Subsidiaries of BBX Sweet Holdings, LLC

The Hoffman Commercial Group, Inc.	Florida
Good Fortunes East, LLC	Florida
Boca Bons East, LLC	Florida
B&B Bons, LLC	Florida
S&F Good Fortunes, LLC	Florida
Hoffchoc, LLC	Florida
Hoffmans Chocolate, LLC	Florida
Brea Enterprises, LLC	Florida
Chocolate Acquisition Sub, LLC dba Kron Chocolatier	Florida
Las Olas Confections and Snacks, LLC	Florida
IT'SUGAR Holdings. LLC	Florida
Jer's Chocolates, LLC	California
Kencraft Confections, LLC	Utah
Sweet Acquisitions UT2	Utah
Anastasia Confections, Inc.	Florida

Subsidiary of Sweet Acquisitions UT2

Lone Peak Asia, LLC	Utah

Subsidiary of IT'SUGAR Holdings, LLC

IT'SUGAR, LLC	Florida

Subsidiaries of IT'Sugar, LLC

IT'Sugar Atlantic City, LLC	Delaware
IT'Sugar FLGC, LLC	Florida

Subsidiaries of Food For Thought Restaurant Group – Florida, LLC

Food For Thought Restaurant Group – LLC	Florida

Subsidiaries of Renin Holdings, LLC

Renin US, LLC	Mississippi
Renin Canada Corporation	Canada

Subsidiaries of Renin Canada Corporation

Renin UK Corporation	Canada

i Assumes completion of the spin-off and the separation of businesses in connection therewith.

Exhibit 99.1

PRELIMINARY AND SUBJECT TO COMPLETION, DATED JUNE 17, 2020

INFORMATION STATEMENT

NEW BBX CAPITAL

CLASS A COMMON STOCK, PAR VALUE $0.01 PER SHARE
CLASS B COMMON STOCK, PAR VALUE $0.01 PER SHARE

This information statement is being furnished by BBX Capital Corporation, Florida corporation ("Parent"), in connection with itsspin-off (the "spin-off") of BBX Capital Florida LLC, a Florida limited liability company ("New BBX Capital," "we," "us" and "our"). New BBX Capital is currently a wholly-owned subsidiary of Parent but, as described below, will become a separate, publicly-traded company as a result of the spin-off. New BBX Capital holds or will hold at the time of the spin-off all of Parent's investments other than Woodbridge Holdings Corporation ("Woodbridge"), a wholly-owned subsidiary of Parent which in turn owns approximately 93% of the issued and outstanding common stock of Bluegreen Vacations Corporation ("Bluegreen Vacations"). New BBX Capital's principal holdings are (i) BBX Capital Real Estate LLC ("BBX Capital Real Estate"), which is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, owns a 50% equity interest in The Altman Companies, LLC ("The Altman Companies"), a developer and manager of multifamily apartment communities, and manages the legacy assets retained in connection with Parent's 2012 sale of BankAtlantic, including a portfolio of loans receivable, real estate properties and judgments against past borrowers, (ii) BBX Sweet Holdings LLC ("BBX Sweet Holdings"), which is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, LLC ("IT'SUGAR"), a retailer of special candy products, Hoffman's Chocolates and Las Olas Confections and Snacks, and (iii) Renin Holdings, LLC ("Renin"), which is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products.

Parent will continue as a separate, public company following the spin-off, with its business consisting of its indirect ownership interest in Bluegreen Vacations. Bluegreen Vacations is a leading vacation ownership company that markets and sells vacation ownership interests ("VOIs") and manages resorts in popular leisure and urban destinations.

Prior to the spin-off, New BBX Capital will be converted into a Florida corporation. In connection with the conversion, Parent, as the 100% owner of New BBX Capital at the time, will receive all of the issued and outstanding shares of New BBX Capital's Class A Common Stock and Class B Common Stock. We refer to New BBX Capital's Class A Common Stock and Class B Common Stock, collectively, as "New BBX Capital's common stock." To effect the spin-off, Parent will distribute the shares of New BBX Capital's common stock held by it on a pro rata basis to Parent's shareholders (the "distribution"). As a shareholder of Parent, you will receive one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock held of record by you as of 5:00 P.M., Eastern time, on , 2020, the record date for the distribution (such date and time, the "record date"), and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock held of record by you as of the record date. As a result, the shareholders of Parent prior to the spin-off will become the shareholders of New BBX Capital after the spin-off. In addition, if, as currently anticipated and described in further detail in this information statement, New BBX Capital adopts a rights agreement prior to the spin-off, then each share of New BBX Capital's Class A Common Stock and Class B Common Stock distributed in connection with thespin-off will have attached thereto an associated preferred share purchase right distributed under the rights agreement. See "Description of Capital Stock" for information regarding New BBX Capital's Class A Common Stock and Class B Common Stock and the rights agreement expected to be adopted by New BBX Capital in connection with the spin-off.

We expect that the distribution will occur on , 2020 (the "distribution date"). Immediately after the distribution, New BBX Capital will be a separate, publicly-traded company. The spin-off will not impact your holdings of Parent's Class A Common Stock or Class B Common Stock and, accordingly, your proportionate interest in Parent will not change as a result of the spin-off. The distribution will be a taxable transaction to Parent's shareholders. See "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

It is anticipated that, subject to the approval of Parent's shareholders, on or about the distribution date, Parent will change its name to Bluegreen Vacations Holding Corporation, reflecting that Parent's assets and activities will be the assets and activities of its indirect subsidiary, Bluegreen Vacations. In connection with such name change, it is expected that New BBX Capital will assume the name BBX Capital Corporation.

The Board of Directors of Parent is seeking shareholder approval of the proposed spin-off in the contemplated manner and Parent's contemplated name change to Bluegreen Vacations Holding Corporation. Parent intends to hold a special meeting of its shareholders (the "special meeting"), and Parent has distributed a separate proxy statement which contains information regarding the proposed spin-off, the contemplated name change, and the special meeting. Completion of the spin-off is conditioned upon shareholder approval of the spin-off. You do not need to pay any consideration, exchange or surrender your existing shares of Parent's Class A Common Stock or Class B Common Stock or take any other action to receive your shares of New BBX Capital's Class A Common Stock or Class B Common Stock, as applicable.

Prior to the spin-off, Parent will own all of the outstanding shares of New BBX Capital's common stock. Accordingly, there is no current trading market for New BBX Capital's common stock. It is expected that New BBX Capital will file a Form 211 with the Financial Industry Regulatory Authority ("FINRA") and apply to have its Class A Common Stock and Class B Common Stock authorized for quotation on the OTCQB and/or OTCQX markets of the OTC Markets Group, Inc. However, there is no assurance that an active public market for New BBX Capital's Class A Common Stock or Class B Common Stock will develop or be sustained after the spin-off. If an active public market does not develop or is not sustained, it may be difficult for New BBX Capital's shareholders to sell their shares of New BBX Capital's Class A Common Stock or Class B Common Stock at a price that is attractive to them, or at all. It is expected that New BBX Capital will request the trading symbol "   " for its Class A Common Stock and "   " for its Class B Common Stock. If New BBX Capital's application for quotation is approved, it is expected that a limited market, commonly known as a "when-issued" trading market, for its Class A Common Stock and Class B Common Stock will begin approximately two trading days before the record date and that "regular way" trading of its Class A Common Stock and Class B Common Stock will begin the first day of trading after the distribution date.

Parent's Class A Common Stock is listed on the New York Stock Exchange (the "NYSE"). It is anticipated that, beginning on the record date and continuing until the time of the distribution, there will be two markets in shares of Parent's Class A Common Stock on the NYSE: a "regular-way" market and an "ex-distribution" market. Shares of Parent's Class A Common Stock that trade on the "regular-way" market will trade with an entitlement to the shares of New BBX Capital's Class A Common Stock to be distributed in the spin-off in respect thereof. Shares of Parent's Class A Common Stock that trade on the "ex-distribution" market will trade without an entitlement to shares of New BBX Capital's Class A Common Stock. Therefore, if a shareholder sells shares of Parent's Class A Common Stock in the "regular-way" market on or prior to the time of the distribution, such shareholder will also be selling the right to receive the shares of New BBX Capital's Class A Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class A Common Stock being sold. If a shareholder owns shares of Parent's Class A Common Stock on the record date and sells those shares on the "ex-distribution" market on or prior to the time of the distribution, such shareholder will continue to be entitled to receive the shares of New BBX Capital's Class A Common Stock which are distributed in the spin-off in respect of the shares of Parent's Class A Common Stock being sold.

Parent's Class B Common Stock is quoted on the OTCQX market. While there is no assurance as to the ex-distribution date that FINRA will ultimately set with respect to New BBX Capital's Class B Common Stock, it is anticipated that, pursuant to Rule 11140 promulgated by FINRA, FINRA will set an "ex-distribution date" for New BBX Capital's Class B Common Stock as the first business day following the distribution date.

Assuming that FINRA sets an ex-distribution date for New BBX Capital's Class B Common Stock as the first business day following the distribution date, then shareholders who hold shares of Parent's Class B Common Stock on the record date and sell the shares on or prior to the distribution date will also be selling the right to receive the shares of New BBX Capital's Class B Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class B Common Stock being sold.

You are encouraged to consult with your broker or financial advisor regarding the specific implications of selling your shares of Parent's Class A Common Stock or Class B Common Stock prior to or on the distribution date.

New BBX Capital is an "emerging growth company" as defined under applicable U.S. federal securities laws and, as such, has provided more limited disclosures in this information statement than an issuer that would not so qualify and also intends to elect to comply with the reduced public company reporting requirements for emerging growth companies in its future filings for so long as it is permitted to do so. See "Summary—Implications of Being an Emerging Growth Company."

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 27.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.

The date of this information statement is , 2020.

This information statement was first mailed to Parent's shareholders on or about , 2020.

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SUMMARY

The following is a summary of material information discussed in this information statement. This summary may not contain all the details concerning the spin-off or other information that may be important to you. To better understand thespin-off and New BBX Capital's business and financial position, you should carefully review this entire information statement. Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement, including the consolidated financial statements of New BBX Capital, assumes the completion of all the transactions referred to in this information statement in connection with the spin-off. Unless the context otherwise requires, references in this information statement to "New BBX Capital," "we," "us," "our" and "our company" refer to BBX Capital Florida LLC, a Florida limited liability company, the Florida corporation into which BBX Capital Florida LLC and its consolidated subsidiaries; provided, however, that, except as expressly set forth to the contrary herein or the context otherwise requires, this information statement assumes the completion of the conversion of BBX Capital Florida LLC into a Florida corporation prior to the spin-off and accordingly, such references shall be deemed to refer to the Florida corporation into which BBX Capital Florida LLC is converted and the consolidated subsidiaries thereof. References in this information statement to "Parent" refer to BBX Capital Corporation, a Florida corporation, and its consolidated subsidiaries (other than, after the spin-off, New BBX Capital and its consolidated subsidiaries), unless the context otherwise requires. ***We anticipate that, on or about the distribution date and subject to the approval of Parent's shareholders, Parent will change its name to Bluegreen Vacations Holding Corporation and we will assume the name BBX Capital Corporation.***

References in this information statement to the historical assets, liabilities, products, businesses or activities of New BBX Capital are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the businesses of New BBX Capital as they have been conducted as part of Parent's organization.

You should not assume that the information contained in this information statement is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this information statement may occur after that date, and we undertake no obligation to update the information, except as required by law.

This information statement describes New BBX Capital's business, its relationship with Parent, and how this transaction affects Parent's shareholders, and provides other information to assist you in evaluating the benefits and risks of the spin-off and holding or disposing of the shares of New BBX Capital's common stock received in connection with the spin-off.

Parent

Parent is BBX Capital Corporation, a Florida corporation and Florida-based diversified holding company. Parent's principal investments currently include Bluegreen Vacations (indirectly through Parent's 100% ownership of Woodbridge), BBX Capital Real Estate, BBX Sweet Holdings, and Renin. As described in further detail below, as a result of the spin-off, New BBX Capital, which holds or will hold all of the subsidiaries of Parent other than Woodbridge, including BBX Capital Real Estate, BBX Sweet Holdings and Renin, will be held by Parent's shareholders as a result of a distribution to them of shares of New BBX Capital's Class A Common Stock and Class B Common Stock, and Parent will retain its indirect ownership interest in Bluegreen Vacations through Woodbridge.

Parent is a publicly-traded company. Its Class A Common Stock is listed on the New York Stock Exchange (the "NYSE") under the ticker symbol "BBX." Its Class B Common Stock is traded on the OTCQX under the symbol "BBXTB." Bluegreen Vacations is a leading vacation ownership company that markets and sells VOIs and manages resorts in popular leisure and urban destinations. Bluegreen Vacations' common stock is listed on the NYSE under the ticker symbol "BXG." Parent, indirectly through Woodbridge, currently owns approximately 93% of Bluegreen Vacations' common stock.

It is anticipated that, subject to the approval of Parent's shareholders, on or about the distribution date, Parent will change its name to Bluegreen Vacations Holding Corporation, and New BBX Capital will assume the name BBX Capital Corporation. In connection with the anticipated name change, Parent intends to change the ticker symbols of its Class A Common Stock and Class B Common Stock to "BVH" and "BVHCB," respectively.

Parent will own all of New BBX Capital's common stock issued and outstanding prior to the distribution. Immediately following the distribution, Parent will not own any shares of New BBX Capital's common stock. Instead, the shareholders of Parent prior to the spin-off will become the shareholders of New BBX Capital after the spin-off.

New BBX Capital

Overview

New BBX Capital is a Florida-based diversified holding company. Its principal investments include BBX Capital Real Estate, BBX Sweet Holdings and Renin. Prior to the spin-off, New BBX Capital will be converted into a Florida corporation.

BBX Capital Real Estate is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, including investments in multifamily apartment and townhome communities, single family master planned communities, and commercial properties located primarily in Florida. In addition, BBX Capital Real Estate owns a 50% equity interest in The Altman Companies, a developer and manager of multifamily apartment communities, and manages the legacy assets retained in connection with Parent's sale of BankAtlantic in 2012, including portfolios of loans receivable, real estate properties and judgments. BBX Capital Real Estate had total assets of $141.1 million as of March 31, 2020.

BBX Sweet Holdings is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, Hoffman's Chocolates, and Las Olas Confections and Snacks. IT'SUGAR is a specialty candy retailer which operates approximately 100 retail locations in over 25 states and Washington D.C. Its products include bulk candy, candy in giant packaging, and novelty items that are sold at its retail locations, which include a mix of high-traffic resort and entertainment, lifestyle, mall/outlet, and urban locations across the United States. Hoffman's Chocolates is a retailer of gourmet chocolates with retail locations in South Florida. Las Olas Confections and Snacks is a manufacturer and wholesaler of chocolates and other confectionery products. BBX Sweet Holdings had total assets of $139.8 million as of March 31, 2020.

Renin is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products and operates through its headquarters in Canada and two manufacturing and distribution facilities in the United States and Canada. In addition to its own manufacturing, Renin also sources various products and raw materials from China and Vietnam. Renin had total assets of $35.5 million as of March 31, 2020.

In addition to its principal investments, New BBX Capital also has investments in other operating businesses, including a restaurant located in South Florida that was acquired through foreclosure. From 2016 to 2019, New BBX Capital previously operated as a franchisee of MOD Super Fast Pizza ("MOD") restaurant locations in Florida. In 2019, the agreements with MOD were terminated, and all of New BBX Capital's MOD restaurant locations were transferred to MOD or closed.

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The Spin-Off

During 2020, Parent announced its intention to separate its investment in Bluegreen Vacations from its other investments. This separation will be accomplished through a spin-off of New BBX Capital, which owns or will own all of the subsidiaries of Parent (other than Woodbridge, through which Parent owns its approximately 93% ownership interest in Bluegreen Vacations), through a distribution of its common stock to Parent's shareholders. As a shareholder of Parent, you will receive one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock held of record by you as of the 5:00 P.M., Eastern time, on , 2020, the record date for the distribution, and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock held of record by you as of the record date.

In connection with the contemplated spin-off, New BBX Capital will enter into a number of agreements with Parent, including a Separation and Distribution Agreement, an Employee Matters Agreement, a Transition Services Agreement, and a Tax Matters Agreement. These agreements will provide the terms and conditions of the separation of Parent's businesses between Parent and New BBX Capital and will govern various ongoing arrangements between Parent and New BBX Capital upon completion of the spin-off.

As described in further detail below, completion of thespin-off is subject to a number of conditions, including the approval of the distribution and all related transactions by Parent's Board of Directors (and such approval not having been withdrawn) and the approval by Parent's shareholders of the proposed spin-off, to permit the distribution in the manner contemplated herein. Subject to the satisfaction of the conditions to completion of the spin-off, we expect that the distribution will occur on , 2020. Immediately after the distribution, New BBX Capital will be a separate, publicly-traded company and Parent will not own any shares of New BBX Capital's common stock.

As previously described, it is anticipated that, on or about the distribution date, Parent will change its name to Bluegreen Vacations Holding Corporation and New BBX Capital will assume the name BBX Capital Corporation.

It is expected that New BBX Capital will apply to have its Class A Common Stock and Class B Common Stock authorized for quotation on the OTCQB and/or OTCQX markets of the OTC Markets Group, Inc. (the "OTC Markets") and that New BBX Capital will request the trading symbol " " for its Class A Common Stock and " " for its Class B Common Stock.

The spin-off will be a taxable transaction to Parent's shareholders. See "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Risk Factors

You should carefully read the section of this information statement entitled "Risk Factors" for an explanation of risks and uncertainties associated with the business and investments of New BBX Capital, as well as risks and uncertainties related to the spin-off and to ownership of New BBX Capital's common stock.

Implications of Being an Emerging Growth Company

New BBX Capital qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, it may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including reduced financial disclosure and reduced disclosure about its executive compensation arrangements. In addition, as an emerging growth company, New BBX Capital is exempt from the requirements to hold non-binding advisory votes on executive compensation and golden parachute payments, and from the auditor attestation requirement in the assessment of its internal control over financial reporting.

New BBX Capital is permitted to, and intends to, take advantage of these exemptions until it no longer qualifies for such exemptions. It will cease to be an emerging growth company upon the earliest of:

- the last day of the fiscal year in which it has $1.07 billion or more in annual revenues;
- the last day of the fiscal year following the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act");
- the date on which it has issued more than $1.0 billion innon-convertible debt securities during the previous three-year period; and
- the date on which it is deemed to be a "large accelerated filer" (which is the last day of the fiscal year during which the total market value of common equity securities held by non-affiliates is $700 million or more, calculated as of the end of the second quarter (June 30) of such fiscal year).

New BBX Capital may choose to take advantage of some, but not all, of the exemptions available to it. New BBX Capital has taken advantage of certain reduced reporting obligations in this information statement. Accordingly, the information contained herein may be different than the information you receive from other public companies.

In addition, Section 107 of the JOBS Act provides that an emerging growth company may take advantage of the extended transition period provided in Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. New BBX Capital is choosing to opt out of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards. Pursuant to Section 107 of the JOBS Act, the decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Corporate Information

BBX Capital Florida LLC is a Florida limited liability company. Its principal executive offices are located at 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida, 33301. Its telephone number is   . Its corporate website will be located at   . Information contained on, or connected to, New BBX Capital's website or Parent's website does not and will not constitute part of this information statement or the registration statement on Form 10 of which this information statement is a part.

QUESTIONS AND ANSWERS ABOUT THE SPIN-OFF

The following provides a summary of certain of the terms of the spin-off. For a more detailed description of the matters described below, see "The Spin-Off."

Q: What is the spin-off?

A: The spin-off is the method by which New BBX Capital will separate from Parent. To complete the spin-off, Parent will distribute to its shareholders all of the shares of New BBX Capital's common stock. We refer to this as the "distribution." Following the spin-off, New BBX Capital will be a separate company from Parent, and Parent will not retain any ownership interest in New BBX Capital. The separation of New BBX Capital from Parent and the distribution of New BBX Capital's common stock are intended to provide you with equity investments in two separate companies, each able to focus on its respective business and investments. The two separate companies will be (i) New BBX Capital, which, as described in further detail below, holds or will hold all of Parent's subsidiaries other than Woodbridge, through which Parent currently holds approximately 93% of the outstanding Common Stock of Bluegreen Vacations, and (ii) Parent, which will continue to hold its investment in Bluegreen Vacations indirectly through Woodbridge. Bluegreen Vacations is a leading vacation ownership company that markets and sells VOIs and manages resorts in popular leisure and urban destinations. Bluegreen Vacations' common stock is listed on the NYSE under the ticker symbol "BXG."

Q: What is New BBX Capital?

A: New BBX Capital is currently a wholly-owned subsidiary of Parent. Prior to the spin-off, New BBX Capital will be converted into a Florida corporation. New BBX Capital's subsidiaries include (i) BBX Capital Real Estate, which is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, owns a 50% equity interest in The Altman Companies, a developer and manager of multifamily apartment communities, and manages the legacy assets retained in connection with Parent's sale of BankAtlantic in 2012, including portfolios of loans receivable, real estate properties and judgments, (ii) BBX Sweet Holdings, which is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, a retailer of special candy products, Hoffman's Chocolates and Las Olas Confections and Snacks, and (iii) Renin, which is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products. In addition to its principal holdings, New BBX Capital also holds or will hold at the time of the spin-off certain other investments in various operating businesses, as described in further detail herein.

It is anticipated that, on or about the distribution date and subject to the approval of Parent's shareholders, Parent will change its name to Bluegreen Vacations Holding Corporation and New BBX Capital will assume the name BBX Capital Corporation.

Q: What will I receive in the spin-off?

A: As a shareholder of Parent, in connection with the spin-off, you will receive one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock you own as of the record date and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock you own as of the record date. In addition, if New BBX Capital adopts a rights agreement prior to the spin-off, then each share of New BBX Capital's Class A Common Stock and Class B Common Stock distributed in connection with the spin-off will have attached thereto an associated preferred share purchase right distributed under the rights agreement. See "Description of Capital Stock" for additional information regarding the rights agreement expected to be adopted by New BBX Capital.

The spin-off will not impact your holdings of Parent's Class A Common Stock and Class B Common Stock, as applicable, and, accordingly, your proportionate interest in Parent will not change as a result of the spin-off.

Parent's Board of Directors has approved a one for five reverse split of the shares of Parent's Class A Common Stock and Class B Common Stock which is expected to be effected prior to the record date for the spin-off. Based on the number of shares of Parent's Class A Common Stock and Class B Common Stock expected to be outstanding as of the record date (after giving effect to the reverse stock split described above based on the expectation that it will be effected prior to the record date), we expect that approximately 15,621,249 shares of New BBX Capital's Class A Common Stock and 3,693,370 shares of New BBX Capital's Class B Common Stock will be distributed in the spin-off. However, the actual number of shares of New BBX Capital's Class A Common Stock and Class B Common Stock to be distributed in the spin-off will be determined based on the actual number of shares of Parent's Class A Common Stock and Class B Common Stock outstanding as of the record date. The shares of New BBX Capital's Class A Common Stock and Class B Common Stock to be distributed in the spin-off will constitute all of the issued and outstanding shares of New BBX Capital's common stock immediately following the distribution.

In addition, holders of unvested restricted stock awards of Parent's Class A Common Stock or Class B Common Stock that are outstanding on the distribution date will retain such restricted stock awards and receive one restricted share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock subject to such restricted stock awards held on the record date and one restricted share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock subject to such restricted stock awards held on the record date. The restricted shares of New BBX Capital's Class A Common Stock and Class B Common Stock will be subject to the same terms and conditions, including, without limitation, vesting conditions, as contained in the Parent restricted stock award agreement relating to the shares of Parent's Class A Common Stock or Class B Common Stock in respect of which the restricted shares of New BBX Capital were received. As of June 17, 2020, a total of 1,016,981 shares of Parent's Class A Common Stock and Class B Common Stock are subject to outstanding restricted stock awards, all of which are held by Parent's executive officers or by Parent on behalf of the executive officers until vesting.

Q: What will be the voting rights of the New BBX Capital stock I receive in thespin-off?

A: The shares of New BBX Capital's Class A Common Stock or Class B Common Stock that you will receive in thespin-off will have the same voting rights as the respective shares of Parent's Class A Common Stock or Class B Common Stock that you currently hold. As a general matter, holders of New BBX Capital's Class A Common Stock and Class B Common Stock will vote as one class on the election of directors and most other matters submitted to a vote of New BBX Capital's shareholders. In such cases, holders of New BBX Capital's Class A Common Stock will be entitled to one vote per share on each such matter, with all holders of New BBX Capital's Class A Common Stock having in the aggregate 22% of the general voting power, and holders of New BBX Capital's Class B Common Stock will be entitled to such number of votes on each such matter so that the holders of New BBX Capital's Class B Common Stock have in the aggregate 78% of the general voting power. Pursuant to New BBX Capital's Amended and Restated Articles of Incorporation ("New BBX Capital's Articles of Incorporation"), the holders of New BBX Capital's Class B Common Stock will also be entitled to a separate class vote on certain matters to the same extent that such holders have the right to a separate class vote under Parent's Amended and Restated Articles of Incorporation, as amended ("Parent's Articles of Incorporation"). In addition, the holders of New BBX Capital's Class A Common Stock and Class B Common Stock will each be entitled to a separate class vote under limited circumstances provided by Florida law. See "Description of Capital Stock" for additional information.

Q: What is the record date for the distribution?

A: The record date for the distribution will be 5:00 p.m. Eastern Time on , 2020, which date and time we refer to as the "record date."

Q: When will the distribution occur?

A: We expect that shares of New BBX Capital's Class A Common Stock and Class B Common Stock will be distributed on or about , 2020, which we refer to as the "distribution date." It is expected that the distribution agent, acting on behalf of Parent, may require up to one week after the distribution date to fully distribute the shares of New BBX Capital's common stock to Parent's shareholders.

Q: Is shareholder approval required for the spin-off?

A: Shareholder approval of the spin-off itself is not required by Florida law. **However, Parent's Board of Directors has elected to seek the approval of Parent's shareholders to effect the spin-off in the contemplated manner and to approve Parent's contemplated name change to Bluegreen Vacations Holding Corporation at a special meeting of its shareholders. Parent has distributed a separate proxy statement which contains information regarding the approvals sought and the special meeting. Completion of the spin-off is conditioned upon the approval of the spin-off by Parent's shareholders.**

Q: What do shareholders need to do to participate in the distribution?

A: You do not need to take any action to receive your shares of New BBX Capital's Class A Common Stock and Class B Common Stock, as applicable, in the spin-off, but you are encouraged to read this entire information statement carefully. You will not be required make any payment to Parent for the new shares or to surrender any shares of Parent's Class A Common Stock or Class B Common Stock you currently own in order to participate in the spin-off. However, the receipt of shares of New BBX Capital's Class A Common Stock or Class B Common Stock will be a taxable transaction to Parent's shareholders. See "What are the U.S. federal income tax consequences of the distribution to Parent's shareholders?" below and "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

Q: Will fractional shares be distributed in the spin-off?

A: Because the distribution ratio is one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock, no fractional shares will result from, or be distributed in, the spin-off.

Q: Will the spin-off affect Parent's preferred share purchase rights or rights agreement? Will New BBX Capital adopt a rights agreement?

A: During June 2020, Parent entered into a rights agreement similar to rights agreements adopted by other public companies in light of the COVID-19 pandemic in an effort to protect against investors seeking short-term gains from taking advantage of current market conditions at the expense of Parent and its long-term investors. Pursuant to the rights agreement, Parent's Board of Directors declared a dividend of one right for each share of its Class A Common Stock and Class B Common Stock outstanding as of the close of business on the record date for purposes of the distribution set forth in the rights agreement. Subject to the terms and conditions of the rights agreement, including certain exceptions set forth therein, the rights will become exercisable upon the earlier to occur of (i) 10 business days following a public announcement that a person or group of affiliated or associated persons or person(s) acting in concert therewith has acquired, or obtained the right to acquire, beneficial ownership of 5% or more of the outstanding shares of Parent's Class A Common Stock, Class B Common Stock or total combined common stock or (ii) 10 business days (or such later date as may be determined by action of Parent's Board of Directors) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 5% or more of the outstanding shares of Parent's Class A Common Stock, Class B Common Stock or total combined common stock. If the rights become exercisable, each right (other than the rights beneficially owned by the triggering person, its affiliates, associates and others acting in concert therewith, and certain of their respective transferees, all of which rights will become void) will entitle its holder to purchase, a number of shares of Parent's Class A Common Stock or equivalent securities having a market value at that time of twice the right's exercise price. The spin-off will not have any impact on Parent's rights agreement or the preferred share purchase rights issued thereunder, each of which will continue in effect in accordance with their prevailing terms and conditions.

It is expected that, prior to or in connection with the spin-off, New BBX Capital will adopt a rights agreement the terms of which will be similar to those contained in Parent's rights agreement. The rights agreement may have an anti-takeover effect and will be an impediment to a proposed takeover of New BBX Capital which is not approved by New BBX Capital's Board of Directors and may also limit the trading of, or otherwise adversely impact the market price of, New BBX Capital's Class A Common Stock or Class B Common Stock. If New BBX Capital adopts the rights agreement prior to the spin-off, then each share of New BBX Capital's Class A Common Stock and Class B Common Stock distributed in connection with the spin-off will have attached thereto an associated preferred share purchase right distributed under the rights agreement. Acquisitions of shares of New BBX Capital's Class A Common Stock or Class B Common Stock as a result of acquiring additional shares of Parent's Class A Common Stock or Class B Common Stock prior to the distribution or shares representing New BBX Capital's Class A Common Stock or Class B Common Stock in the when-issued trading market or as a result of the distribution will each be included in determining the beneficial ownership of a person and all such acquisitions following the first public announcement of New BBX Capital's adoption of the rights agreement will be taken into account in determining whether a person is an acquiring person under the terms of the rights agreement. Therefore, a person could become an acquiring person under the terms of the rights agreement simultaneously with the receipt of shares in the distribution. See "Description of Capital Stock" for additional information regarding the rights agreement expected to be adopted by New BBX Capital.

Q: What are the U.S. federal income tax consequences of the distribution to Parent's shareholders?

A: For U.S. federal income tax purposes, the receipt of New BBX Capital's Class A Common Stock or Class B Common Stock in the spin-off is expected to be treated as a distribution of property in an amount equal to the fair market value of the stock received. We believe that a reasonable approach to determine the fair market value of the shares of New BBX Capital's Class A Common Stock or Class B Common Stock received would be to use the volume-weighted average price of New BBX Capital's common stock on the first full trading day following the distribution. We believe this is a reasonable approach because the rights of New BBX Capital's Class A Common Stock and Class B Common Stock (other than voting rights, as described above) are substantially the same and New BBX Capital's Class B Common Stock will be convertible into shares of New BBX Capital's Class A Common Stock on a share-for-share basis in the holder's discretion; however, there is expected to be significantly less trading volume in the shares of New BBX Capital's Class B Common Stock as compared to New BBX Capital's Class A Common Stock.

The distribution of New BBX Capital's Class A Common Stock or Class B Common Stock in the spin-off should be treated as ordinary dividend income to the extent considered paid out of Parent's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of Parent's current year and accumulated earnings and profits will be treated as a non-taxable return of capital, which reduces basis, to the extent of the holder's basis in its shares of Parent's Class A Common Stock or Class B

Common Stock, as applicable, and thereafter as capital gain. The amount of those earnings and profits is not determinable at this time because it will depend on Parent's income for the entire tax year in which the distribution occurs. For a more detailed discussion, see "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" and "Risk Factors—Risks Relating to the Spin-Off—The distribution of our common stock will not qualify for tax-free treatment."

Q: Why has Parent decided to spin-off New BBX Capital?

A: Parent's Board of Directors has determined that the separation of its investment in Bluegreen Vacations from its other investments is in the best interests of Parent's shareholders. Parent's Board of Directors believes such investments have distinct characteristics and that separating Parent's investment in Bluegreen Vacations from its other investments will, among other things:

- allow each company to adopt strategies and pursue objectives appropriate to each, independent of the other, which would better position each company to maximize value over the long-term;
- bring greater clarity to the marketplace as to each company's core competencies;
- better position each company to optimize capital deployment and investment strategies necessary to advance their respective interests, and provide management with incentives related directly to each company's performance and align their interests with the other shareholders of the company;
- provide current Parent shareholders with equity investments in two separate, publicly traded companies, including Parent, which following the spin-off will be a "pure play" Bluegreen Vacations holding company; and
- enable investors to better evaluate the financial performance, strategies, and other characteristics of each company, allowing investors to make investment decisions based on each company's individual performance and potential, and enhance the likelihood that the market will value each company appropriately.

Q: Are there risks associated with the spin-off and ownership of New BBX Capital's common stock?

A: Yes. There are a number of risks associated with the spin-off, New BBX Capital and ownership of New BBX Capital's common stock. We discuss these risks under "Risk Factors."

Q: Are there conditions to completion of the spin-off?

A: Yes. Completion of the spin-off is subject to the following conditions:

- the Board of Directors of Parent, in its sole and absolute discretion, shall have authorized and approved the spin-off (and such authorization and approval shall not have been withdrawn, as described below);
- the approval of Parent's shareholders of the spin-off in the contemplated manner;
- New BBX Capital's registration statement on Form 10 of which this information statement is a part shall have been declared effective by the Securities and Exchange Commission (the "SEC") and shall not be the subject of any stop order or proceedings seeking a stop order, and this information statement shall have been sent to Parent's shareholders as of the close of business on the record date, all necessary permits and authorizations under the Securities Act and the Exchange Act relating to the issuance and trading of shares of New BBX Capital's Class A Common Stock and Class B Common Stock shall have been obtained and be in effect, and such shares shall have been approved for listing, trading or quotation on a national securities exchange or on the OTC Markets, subject to official notice of issuance; and

- no court or other governmental authority having jurisdiction over Parent or New BBX Capital shall have issued or entered any order, and no applicable law shall have been enacted or promulgated, in each case, that is then in effect and has the effect of permanently restraining, enjoining or otherwise prohibiting the consummation of the spin-off.

We are not aware of any material regulatory requirements that must be complied with or any material regulatory or third party approvals that must be obtained, other than compliance with SEC rules and regulations, including the SEC's declaration of effectiveness of New BBX Capital's registration statement on Form 10, and the approval for listing, trading or quotation of New BBX Capital's Class A Common Stock and Class B Common Stock on a national securities exchange or on the OTC Markets, subject to official notice of issuance.

Q: Can Parent's Board of Directors decide to terminate the spin-off even if all of the conditions have been satisfied?

A: Yes. Until the distribution has occurred, Parent's Board of Directors has the right to terminate the spin-off, even if all of the other conditions have been satisfied, if Parent's Board of Directors determines, in its sole and absolute discretion, that the spin-off is not in the best interests of Parent and its shareholders or that market conditions or other circumstances are such that the separation of New BBX Capital and Parent is otherwise no longer advisable at that time.

Q: When will I be able to trade my shares of New BBX Capital's Class A Common Stock and/or Class B Common Stock? What will the market price be?

A: Parent will own all of the outstanding shares of New BBX Capital's common stock prior to the spin-off. Accordingly, there is no current trading market for New BBX Capital's common stock. It is expected that New BBX Capital will apply to have its Class A Common Stock and Class B Common Stock authorized for quotation on the OTCQB and/or OTCQX markets and request the trading symbol "   " for its Class A Common Stock and "   " for its Class B Common Stock. If New BBX Capital's application for quotation is approved, it is expected that a limited market, commonly known as a "when-issued" trading market, for its Class A Common Stock and Class B Common Stock will begin approximately two trading days before the record date and that "regular way" trading of its Class A Common Stock and Class B Common Stock will begin the first day of trading after the distribution date.

We cannot predict what the market price will be for New BBX Capital's Class A Common Stock or Class B Common Stock, in each case, prior to, on or after the distribution date. It is possible that some of Parent's shareholders may sell the shares received in connection with the spin-off because, among other things, New BBX Capital's investments or strategies do not fit their investment objectives or because New BBX Capital's Class A Common Stock or Class B Common Stock may not be included in certain indices. The market price of New BBX Capital's Class A Common Stock and Class B Common Stock may fluctuate significantly, including during the period before the market has analyzed fully the business and financial characteristics of New BBX Capital separate from Parent.

Q: Does New BBX Capital expect to pay dividends after the spin-off?

A: No. It is not anticipated that New BBX Capital will pay cash dividends on its common stock following the spin-off. New BBX Capital currently intends to retain any earnings for use in the operation of its business.

Q: Will my shares of Parent's Class A Common Stock and Class B Common Stock continue to trade after the spin-off?

A: Subject to continued compliance with applicable listing standards and requirements, it is expected that, following the spin-off, Parent's Class A Common Stock will continue to trade on the NYSE and Parent's Class B

Common Stock will continue to be quoted on the OTCQX market. It is anticipated that, on or about the distribution date and subject to the approval of the holders of Parent's shareholders, Parent will change its name to Bluegreen Vacations Holding Corporation. In connection with such name change, it is expected that the ticker symbol of Parent's Class A Common Stock on the NYSE will change from "BBX" to "BVH" and the trading symbol of Parent's Class B Common Stock on the OTCQX market will change from "BBXTB" to "BVHCB."

Parent's name change will not affect the validity or transferability of any currently outstanding stock certificates and shareholders will not be requested to, and should not, surrender for exchange any certificates presently held by them, whether in connection with the spin-off or the name change.

Q: If I sell my shares of Parent's Class A Common Stock or Class B Common Stock prior to the distribution, will I still be entitled to receive shares of New BBX Capital in the distribution?

A: It is anticipated that, beginning on the record date and continuing until the time of the distribution, there will be two markets in shares of Parent's Class A Common Stock on the NYSE: a "regular-way" market and an "ex-distribution" market. Shares of Parent's Class A Common Stock that trade on the "regular-way" market will trade with an entitlement to the shares of New BBX Capital's Class A Common Stock to be distributed in the spin-off in respect thereof. Shares of Parent's Class A Common Stock that trade on the "ex-distribution" market will trade without an entitlement to shares of New BBX Capital's Class A Common Stock. Therefore, if a shareholder sells shares of Parent's Class A Common Stock in the "regular-way" market on or prior to the time of the distribution, such shareholder will also be selling the right to receive the shares of New BBX Capital's Class A Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class A Common Stock being sold. If a shareholder owns shares of Parent's Class A Common Stock on the record date and sells those shares on the "ex-distribution" market on or prior to the time of the distribution, such shareholder will continue to be entitled to receive the shares of New BBX Capital's Class A Common Stock which are distributed in the spin-off in respect of the shares of Parent's Class A Common Stock being sold.

Parent's Class B Common Stock is quoted on the OTCQX market. While there is no assurance as to the ex-distribution date that FINRA will ultimately set with respect to New BBX Capital's Class B Common Stock, it is anticipated that, pursuant to Rule 11140 promulgated by FINRA, FINRA will set an "ex-distribution date" for New BBX Capital's Class B Common Stock as the first business day following the distribution date. Assuming that FINRA sets an ex-distribution date for New BBX Capital's Class B Common Stock as the first business day following the distribution date, then shareholders who hold shares of Parent's Class B Common Stock on the record date and sell the shares on or prior to the distribution date will also be selling the right to receive the shares of New BBX Capital's Class B Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class B Common Stock being sold.

You are encouraged to consult with your broker or financial advisor regarding the specific implications of selling your shares of Parent's Class A Common Stock or Class B Common Stock prior to or on the distribution date.

Q: Will the spin-off affect the market price of Parent's Class A Common Stock or Class B Common Stock?

A: It is possible that the market price of Parent's Class A Common Stock and/or Class B Common Stock will be affected by the spin-off because such stock will no longer reflect the benefits, risks or rewards associated with New BBX Capital and its subsidiaries. There is no assurance as to how the market will respond to the spin-off, including the agreements entered into in connection with the spin-off and the relationship between Parent and New BBX Capital following the spin-off. We cannot provide you with any assurance as to the price at which shares of Parent's Class A Common Stock or Class B Common Stock or New BBX Capital's Class A Common Stock or Class B Common Stock will trade following the spin-off.

Q: What will be the relationship between Parent and New BBX Capital after the spin-off?

A: Immediately following the spin-off, New BBX Capital will be a separate, publicly-traded company, and Parent will have no continuing stock ownership interest in New BBX Capital. In connection with the spin-off, New BBX Capital will enter into a Separation and Distribution Agreement and several other agreements with Parent which will provide the terms and conditions of the separation of the businesses of Parent between Parent and New BBX Capital and will govern various ongoing arrangements between Parent and New BBX Capital after completion of the spin-off.

Following the spin-off, there will be an overlap between executive management of Parent and New BBX Capital. Alan B. Levan will continue to serve as the Chairman, Chief Executive Officer and President of Parent and will also serve as the Chairman of New BBX Capital. John E. Abdo will continue to serve as the Vice Chairman of Parent and will also serve as the Vice Chairman of New BBX Capital. Jarett S. Levan, the son of Alan B. Levan, will continue to serve as a director of Parent and will be the Chief Executive Officer and President and a director of New BBX Capital and Chief Executive Officer of BBX Sweet Holdings. Seth M. Wise will continue to serve as a director of Parent and will serve as President of BBX Capital Real Estate, Co-Chief Executive Officer of The Altman Companies, and as an Executive Vice President and director of New BBX Capital. Raymond S. Lopez will continue to serve as an Executive Vice President and as Chief Financial Officer of Parent and will also serve as an Executive Vice President and the Chief Financial Officer of New BBX Capital. Other than Messrs. Alan Levan, Abdo, Jarett Levan and Wise and Norman H. Becker, a director of both Parent and Bluegreen Vacations, who are expected to serve as directors of both Parent and New BBX Capital following the spin-off, it is expected that directors serving on Parent's Board of Directors at the time of the spin-off will resign as directors of Parent and instead serve as directors of New BBX Capital following the spin-off. See "Management" for additional information.

Q: How will Parent's indebtedness and cash be allocated, paid or transferred in connection with the spin-off?

A: New BBX Capital will assume the indebtedness of or related to the subsidiaries transferred to it in connection with the spin-off, which had total outstanding indebtedness of approximately $41.9 million as of March 31, 2020.

Woodbridge, through which Parent holds its investment in Bluegreen Vacations and will be retained by Parent, had approximately $66.3 million of trust preferred securities ("TruPS") outstanding as of March 31, 2020. Woodbridge's obligations with respect to its TruPS will be retained by it in connection with the spin-off.

As of March 31, 2020, Parent had approximately $137.8 million of cash and cash equivalents (excluding cash and cash equivalents of its subsidiaries, including Bluegreen Vacations). In connection with the spin-off, Parent will contribute to New BBX Capital all of Parent's cash and cash equivalents other than the cash and cash equivalents of Bluegreen Vacations, any special cash dividend paid by Bluegreen Vacations prior to the spin-off as described below, and $25 million which will be retained by Parent to fund, among other expenses, the obligations related to Woodbridge's TruPS and the promissory note to New BBX Capital described below and employee compensation and benefits.

In addition to a cash contribution, Parent will also enter into a $75 million promissory note in favor of New BBX Capital. Amounts outstanding under the note will accrue interest at a rate of 6% per annum. The note will require payments of interest only on a quarterly basis. It is also anticipated that payments may be deferred at the option of Parent, with amounts deferred to accrue interest at a cumulative, compounded rate of 8% per annum. All outstanding amounts under the note will become due and payable in five years or upon certain events.

Prior to the spin-off, Bluegreen Vacations may, in the discretion of its Board of Directors and subject to any restrictions and required approvals under its debt instruments, declare and pay a special cash dividend to its shareholders. If such dividend is paid, Parent may use the funds distributed to it in order to repay, in whole or in part, Parent's $80 million note payable to Bluegreen Vacations.

Q: What will Alan B. Levan, John E. Abdo's and Jarett S. Levan's ownership and voting percentage of New BBX Capital be immediately following the distribution?

Alan B. Levan, John E. Abdo and Jarett S. Levan will have the same ownership and voting interest in New BBX Capital immediately following the spin-off as they have with respect to Parent immediately prior to thespin-off. Including shares subject to restricted stock awards which have not yet vested but which Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan have the right to vote, Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan currently collectively beneficially own shares representing approximately 19.3% of Parent's outstanding Class A Common Stock and 86.1% of Parent's outstanding Class B Common Stock. In the aggregate, these shares currently represent approximately 32.1% of Parent's total outstanding common equity and 78.2% of the total voting power of Parent's Class A Common Stock and Class B Common Stock. For so long as Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan collectively have a greater than 50% voting interest in New BBX Capital, they will have the voting power to approve the election of directors and any matter which requires the affirmative vote of shares representing a majority of New BBX Capital's total voting power.

Q: Do Parent's executive officers and directors have interests in thespin-off that may be different from or in addition to the interests of Parent's other shareholders?

Yes. You should be aware that the executive officers and directors of Parent have interests in thespin-off that may differ from, or may be in addition to, the interests of Parent's shareholders generally. These interests include the following:

- As previously described, following the spin-off, there will be an overlap between executive management of Parent and New BBX Capital. Alan B. Levan, John E. Abdo, Jarett S. Levan and Seth M. Wise will serve as directors of both Parent and New BBX Capital, and Messrs. Alan Levan and Abdo as well as Raymond S. Lopez will serve as executive officers of both Parent and New BBX Capital. In addition, it is expected that the directors serving on Parent's Board of Directors at the time of the spin-off will serve as directors of New BBX Capital following the spin-off, although such directors (other than Messrs. Alan Levan, Abdo, Jarett Levan and Wise, and Norman H. Becker, a director of both Parent and Bluegreen Vacations) are expected to resign from Parent's Board of Directors in connection with the spin-off and their appointment to New BBX Capital's Board of Directors. Non-employee directors of New BBX Capital will receive compensation for their service on New BBX Capital's Board of Directors and committees. Such compensation is expected to be the same as what they currently receive for their service on Parent's Board of Directors and its committees.
- As previously described, it is expected that Alan B. Levan, John E. Abdo and Jarett Levan will be deemed to control New BBX Capital following the spin-off by virtue of their collective ownership of shares expected to represent approximately 78.2% of the total voting power of New BBX Capital's Class A Common Stock and Class B Common Stock following the spin-off.
- As of June 17, 2020, a total of 5,084,906 shares of Parent's Class A Common Stock and Class B Common Stock are subject to outstanding restricted stock awards, all of which are held by Parent's executive officers or by Parent on behalf of the executive officers until vesting. As previously described, holders of unvested restricted stock awards of Parent's Class A Common Stock or Class B Common Stock that are outstanding on the distribution date will retain such restricted stock awards and receive one restricted share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock subject to such restricted stock awards held on the record date and one restricted share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock subject to such restricted stock awards

held on the record date. The restricted shares of New BBX Capital's Class A Common Stock and Class B Common Stock will be subject to the same terms and conditions, including, without limitation, vesting conditions, as contained in the Parent restricted stock award agreement relating to the shares of Parent's Class A Common Stock or Class B Common Stock in respect of which the restricted shares of New BBX Capital were received.

Q: Will I have appraisal rights in connection with the spin-off?

A: No. Shareholders of Parent will not have any appraisal rights in connection with the spin-off.

Q: Who will be the transfer agent for New BBX Capital's Class A Common Stock and Class B Common Stock after the spin-off?

A: It is expected that [ ] will be the transfer agent for New BBX Capital's Class A Common Stock and Class B Common Stock after the spin-off.

Q: Who is the distribution agent for the spin-off?

A: [ ] will be the distribution agent for the spin-off.

Q: Where can I get more information?

A: If you have any questions relating to the spin-off, you should contact the distribution agent at:

[ ]
[Insert Address]
[Insert Address]
[Insert toll-free number]

SUMMARY OF THE SPIN-OFF

Distributing Company/Parent	BBX Capital Corporation, a Florida corporation. Immediately after the distribution, Parent will not own any shares of New BBX Capital's Class A Common Stock or Class B Common Stock.
Distributed/Spin-Off Company	BBX Capital Florida LLC, which is currently a wholly-owned subsidiary of Parent. BBX Capital Florida LLC will be converted into a Florida corporation prior to the spin-off and such corporation will become a separate, publicly-traded company as a result of the spin-off.
Separation of Businesses	In connection with the spin-off, Parent will retain its investment in Bluegreen Vacations, a leading vacation ownership company that markets and sells VOIs and manages resorts in leisure and urban destinations, making Parent a "pure play" Bluegreen Vacations holding company. Parent holds its investment in Bluegreen Vacations indirectly through Woodbridge, a wholly-owned subsidiary of Parent which owns approximately 93% of Bluegreen Vacations' common stock. Bluegreen Vacations' common stock is traded on the NYSE under the ticker symbol "BXG." If the spin-off is completed, New BBX Capital will be a separate, publicly-traded company holding all of Parent's subsidiaries other than Woodbridge and Bluegreen Vacations (and its subsidiaries). Subsidiaries owned by New BBX Capital include (i) BBX Capital Real Estate, which is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, owns a 50% equity interest in The Altman Companies, a developer and manager of multifamily apartment communities, and manages the legacy assets retained after Parent's sale of BankAtlantic in 2012, including portfolios of loans receivable, real estate properties and judgments, (ii) BBX Sweet Holdings, which owns and manages operating businesses in the confectionery industry, including IT'SUGAR, a retailer of special candy products, Hoffman's Chocolates and Las Olas Confections and Snacks, and (iii) Renin, which is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products.
Anticipated Name Changes	Subject to the approval of Parent's shareholders, it is expected that, on or about the distribution date, Parent will change its name to Bluegreen Vacations Holding Corporation and New BBX Capital will assume the name BBX Capital Corporation.
Distributed Securities	All of the shares of New BBX Capital's Class A Common Stock and Class B Common Stock, which will represent 100% of New BBX Capital's common stock issued and outstanding immediately following the distribution.

	Based on the number of shares of Parent's Class A Common Stock and Class B Common Stock expected to be outstanding as of the record date (after giving effect to the previously described one-for-five reverse stock split expected to be effected prior to the record date), we expect that approximately 15,621,249 shares of New BBX Capital's Class A Common Stock and 3,693,370 shares of New BBX Capital's Class B Common Stock will be distributed in the spin-off. In addition, if New BBX Capital adopts a rights agreement prior to the spin-off, then each share of New BBX Capital's Class A Common Stock and Class B Common Stock distributed in connection with the spin-off will have attached thereto an associated preferred share purchase right distributed under the rights agreement. See "Description of Capital Stock" for additional information regarding the rights agreement expected to be adopted by New BBX Capital.
Record Date	5:00 P.M., Eastern time, on , 2020.
Distribution Date	, 2020.
Distribution Ratio	Each shareholder of Parent will receive one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock held by such shareholder as of the record date and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock held by such shareholder as of the record date.
The Distribution	On or before the distribution date, Parent will release the shares of New BBX Capital's Class A Common Stock and Class B Common Stock to the distribution agent to distribute to Parent's shareholders. The shares will be distributed in book-entry form, which means that no physical share certificates will be issued. We expect that it may take the distribution agent up to one week following the distribution date to electronically issue shares of New BBX Capital's Class A Common Stock and/or Class B Common Stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. You will not be required to make any payment, surrender or exchange of your shares of Parent's Class A Common Stock or Class B Common Stock or take any other action to receive your shares of New BBX Capital's Class A Common Stock or Class B Common Stock, as applicable. However, Parent is seeking the approval of its shareholders in order to effect the spin-off in the contemplated manner and to approve Parent's contemplated name change to Bluegreen Vacations Holding Corporation. Parent intends to hold a special meeting of its shareholders to approve these actions and has distributed a separate proxy statement which contains information regarding the proposed spin-off and name change and the special

	meeting. Completion of the spin-off is conditioned upon shareholder approval of the spin-off and certain other conditions described below. In addition, the spin-off will be a taxable transaction to you, as a shareholder of Parent, as described in further detail below.
No Fractional Shares	Because the distribution ratio is one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock, no fractional shares will result from, or be distributed in, the spin-off.
Conditions to the Spin-Off	Completion of the spin-off is subject to the following conditions: • the Board of Directors of Parent, in its sole and absolute discretion, shall have authorized and approved the spin-off (and such authorization and approval shall not have been withdrawn, as described below); • the approval of Parent's shareholders of the spin-off in the manner contemplated; • New BBX Capital's registration statement on Form 10 of which this information statement is a part shall have been declared effective by the SEC and shall not be the subject of any stop order or proceedings seeking a stop order, and this information statement shall have been sent to Parent's shareholders as of the close of business on the record date, all necessary permits and authorizations under the Securities Act and the Exchange Act relating to the issuance and trading of shares of New BBX Capital's Class A Common Stock and Class B Common Stock shall have been obtained and be in effect, and such shares shall have been approved for listing, trading or quotation on a national securities exchange or the OTC Markets, subject to official notice of issuance; and • no court or other governmental authority having jurisdiction over Parent or New BBX Capital shall have issued or entered any order, and no applicable law shall have been enacted or promulgated, in each case, that is then in effect and has the effect of permanently restraining, enjoining or otherwise prohibiting the consummation of the spin-off. We are not aware of any material regulatory requirements that must be complied with or any material regulatory or third party approvals that must be obtained, other than compliance with SEC rules and regulations, including the SEC's declaration of effectiveness of New BBX Capital's registration statement on Form 10, and the approval for listing, trading or quotation of New BBX Capital's Class A Common Stock and Class B Common Stock on a national securities exchange or the OTC Markets.

Trading of Shares	It is expected that New BBX Capital will apply to have its Class A Common Stock and Class B Common Stock authorized for quotation on the OTCQB and/or OTCQX markets and request the trading symbol " " for its Class A Common Stock and " " for its Class B Common Stock. If New BBX Capital's application for quotation is approved, it is expected that a limited market, commonly known as a "when-issued" trading market, for its Class A Common Stock and Class B Common Stock will begin approximately two trading days before the record date and that "regular way" trading of its Class A Common Stock and Class B Common Stock will begin the first day of trading after the distribution date. It is anticipated that, beginning on the record date and continuing until the time of the distribution, there will be two markets in shares of Parent's Class A Common Stock on the NYSE: a "regular-way" market and an "ex-distribution" market. Shares of Parent's Class A Common Stock that trade on the "regular-way" market will trade with an entitlement to the shares of New BBX Capital's Class A Common Stock to be distributed in the spin-off in respect thereof. Shares of Parent's Class A Common Stock that trade on the "ex-distribution" market will trade without an entitlement to shares of New BBX Capital's Class A Common Stock. Therefore, if a shareholder sells shares of Parent's Class A Common Stock in the "regular-way" market on or prior to the time of the distribution, such shareholder will also be selling the right to receive the shares of New BBX Capital's Class A Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class A Common Stock being sold. If a shareholder owns shares of Parent's Class A Common Stock on the record date and sells those shares on the "ex-distribution" market on or prior to the time of the distribution, such shareholder will continue to be entitled to receive the shares of New BBX Capital's Class A Common Stock which are distributed in the spin-off in respect of the shares of Parent's Class A Common Stock being sold. Parent's Class B Common Stock is quoted on the OTCQX market. While there is no assurance as to the ex-distribution date that FINRA will ultimately set with respect to New BBX Capital's Class B Common Stock, it is anticipated that, pursuant to Rule 11140 promulgated by FINRA, FINRA will set an "ex-distribution date" for New BBX Capital's Class B Common Stock as the first business day following the distribution date. Assuming that FINRA sets an ex-distribution date for New BBX Capital's Class B Common Stock as the first business day following the distribution date, then shareholders who hold shares of Parent's Class B Common Stock on the record date and sell the shares on or prior to the distribution date will also be selling the right to receive the shares of New BBX Capital's Class B Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class B Common Stock being sold.

	You are encouraged to consult with your broker or financial advisor regarding the specific implications of selling your shares of Parent's Class A Common Stock or Class B Common Stock prior to or on the distribution date.
Material U.S. Federal Income Tax Consequences	The spin-off will be a taxable transaction to Parent's shareholders. For U.S. federal income tax purposes, the receipt of New BBX Capital's Class A Common Stock or Class B Common Stock in the spin-off is expected to be treated as a distribution of property in an amount equal to the fair market value of the stock received. We believe that a reasonable approach to determine the fair market value of the shares of New BBX Capital's Class A Common Stock or Class B Common Stock received would be to use the volume-weighted average price of New BBX Capital's common stock on the first full trading day following the distribution. We believe this is a reasonable approach because the rights of New BBX Capital's Class A Common Stock and Class B Common Stock (other than voting rights, as described above) are substantially the same and New BBX Capital's Class B Common Stock will be convertible into shares of New BBX Capital's Class A Common Stock on a share-for-share basis in the holder's discretion; however, there is expected to be significantly less trading volume in the shares of New BBX Capital's Class B Common Stock as compared to New BBX Capital's Class A Common Stock. The distribution of New BBX Capital's Class A Common Stock or Class B Common Stock in the spin-off should be treated as ordinary dividend income to the extent considered paid out of Parent's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of Parent's current year and accumulated earnings and profits will be treated as a non-taxable return of capital, which reduces basis, to the extent of the holder's basis in its shares of Parent's Class A Common Stock or Class B Common Stock, as applicable, and thereafter as capital gain. The amount of those earnings and profits is not determinable at this time because it will depend on Parent's income for the entire tax year in which the distribution occurs. For a more detailed discussion of the federal income tax consequences of the spin-off, see "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off" and "Risk Factors—Risks Relating to the Spin-Off—The distribution of our common stock will not qualify for tax-free treatment."
Separation and Distribution Agreement and other Spin-Off Documents	In connection with the spin-off, New BBX Capital will enter into a Separation and Distribution Agreement and several other agreements with Parent, which will provide the terms and conditions of the separation of the businesses of Parent between Parent and New BBX Capital and will govern various ongoing arrangements between

	Parent and New BBX Capital upon completion of the spin-off, including a $75 million promissory note to be entered into by Parent in favor of New BBX Capital. The Separation and Distribution Agreement and other agreements expected to entered into with Parent in connection with the spin-off, including the promissory note, are described in further detail under "The Spin-Off—Relationship Between New BBX Capital and Parent."
Dividend Policy	It is not anticipated that New BBX Capital will pay cash dividends on its common stock following the spin-off. New BBX Capital currently intends to retain any earnings for use in the operation of its business.
Distribution Agent	[ ]
Risk Factors	There are a number of risks and uncertainties related to thespin-off, New BBX Capital (including its business and investments and it being a separate, publicly-traded company following the spin-off) and ownership of New BBX Capital's Class A Common Stock and Class B Common Stock. You should carefully read the factors set forth in the section of this information statement entitled "Risk Factors."

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following tables present the summary historical and pro forma financial data for New BBX Capital. New BBX Capital derived the statement of operations data for the years ended December 31, 2019, 2018 and 2017 and the balance sheet data as of December 31, 2019 and 2018 from its audited combined carve-out financial statements included elsewhere in this information statement. The statement of operations data for the three months ended March 31, 2020 and the balance sheet data as of March 31, 2020 are derived from New BBX Capital's unaudited combined carve-out financial statements included elsewhere in this information statement and, in management's opinion, have been prepared on the same basis as the audited carve-out combined financial statements and include all adjustments, consisting only of normal recurring adjustments and allocations, necessary for a fair presentation of the information for the periods presented.

The historical statements of operations reflect allocations of general corporate expenses from Parent, including, but not limited to, executive management, finance, legal, information technology, human resources, employee benefits administration, treasury, risk management and other shared services. These expenses have been allocated to New BBX Capital on the basis of direct usage when identifiable, while the remainder of the expenses, including costs related to executive compensation, were allocated primarily on a pro-rata basis of combined revenues and equity in earnings of unconsolidated joint ventures of New BBX Capital and its subsidiaries. Management considers these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, New BBX Capital. The allocations may not, however, reflect the expenses New BBX Capital would have incurred as a stand-alone public company for the periods presented. Actual costs that may have been incurred if New BBX Capital had been a stand-alone public company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure. The financial statements included in this information statement may not necessarily reflect New BBX Capital's financial position, results of operations and cash flows as if New BBX Capital had operated as a stand-alone public company during all periods presented. Accordingly, New BBX Capital's historical results may not be a reliable indicator of its future performance or financial condition. In addition, the financial data as of and for the three months ended March 31, 2020 and 2019 are not necessarily indicative of the results that may be obtained for the full year or any other future period.

In presenting the financial data in conformity with accounting principles generally accepted in the United States ("GAAP"), New BBX Capital is required to make estimates and assumptions that affect the amounts reported. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" included elsewhere in this information statement for a detailed discussion of the accounting policies that management believes require subjective and complex judgments that could potentially affect reported results.

In addition, the summary pro forma financial information has been prepared to include accounting transaction adjustments, which are adjustments directly attributable to the spin-off or otherwise under the Separation and Distribution Agreement or other spin-off documents, and autonomous entity adjustments that reflect incremental expense or other changes necessary, if any, to reflect the financial condition and results of operations as if New BBX Capital was a separate stand-alone entity.

The pro forma statement of operations data for the three months ended March 31, 2020 and the year ended December 31, 2019 assumes that the spin-off occurred on January 1, 2019. The pro forma balance sheet data as of March 31, 2020 assumes that thespin-off occurred as of such date. The assumptions used in connection with the preparation of the pro forma financial information and the adjustments derived from such assumptions are based on currently available information, which management believes are reasonable under the circumstances. However, the pro forma financial information is not necessarily indicative of New BBX Capital's results of operations or financial condition had the spin-off occurred on the date assumed. Also, they may not reflect the results of operations or financial condition that would have resulted had New BBX Capital been operating as a stand-alone public company during such periods. In addition, they are not necessarily indicative of New BBX Capital's future results of operations or financial condition.

You should read the following summary financial data in conjunction with New BBX Capital's audited combined carve-out financial statements and unaudited combined carve-out financial statements included elsewhere in this information statement and the financial and other information contained in the sections of this information statement entitled "Unaudited Pro Forma Financial Statements," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Summary Historical Financial Data

	As of or For the Three Months Ended March 31, 2020	As of or For the Years Ended December 31, 2019	2018	2017
	(in thousands)			
Statements of Operations Data				
Total revenues	$ 48,181	203,724	208,565	152,036
(Loss) income from continuing operations	$ (24,701)	20,651	(5,887)	(14,770)
(Loss) income attributable to Parent	$ (21,923)	13,737	(9,201)	(16,089)
Statements of Financial Condition Data				
Total assets	$ 332,852	361,507	309,952	315,170
Borrowings	$ 41,904	42,736	37,496	43,920
Parent's equity	$ 160,655	179,681	235,415	237,259

Summary Pro Forma Financial Data

	Pro forma As of or For the Three Months Ended March 31, 2020	For the Year Ended December 31, 2019
	(in thousands)	
Statements of Operations Data:		
Total revenues	$ 49,306	208,224
(Loss) income from continuing operations	$ (23,793)	24,047
(Loss) income attributable to Parent from continuing operations	$ (20,337)	24,271
Statements of Financial Condition Data		
Total assets	$ 520,688	
Borrowings	$ 41,904	
Parent's equity	$ 348,491	

RISK FACTORS

You should carefully consider each of the following risks and uncertainties, which we believe are the principal risks that New BBX Capital faces and of which we are currently aware, and all of the other information in this information statement. Some of the risks and uncertainties described below relate to New BBX Capital' business. Other risks relate principally to the spin-off, the securities markets and the ownership of New BBX Capital' Class A Common Stock and Class B Common Stock. If any of the following events actually occur, New BBX Capital' business, financial condition or results of operations, and the liquidity and trading price of New BBX Capital' Class A Common Stock and/or Class B Common Stock, could be materially adversely affected. Additional risks and uncertainties that we do not presently know about or currently believe are not material may also adversely affect New BBX Capital' business, financial condition and results of operations and, accordingly, New BBX Capital' Class A Common Stock and/or Class B Common Stock. References in this section to "New BBX Capital" refers to New BBX Capital, at the parent company level, and references in this section to the "Company" refers to New BBX Capital, together with each of its subsidiaries.

Risks Relating to Our Business

New BBX Capital's acquisitions and investments may reduce earnings, require it to obtain additional financing and expose it to additional risks.

New BBX Capital's business strategy has included investments in or acquisitions of operating companies, such as its 50% equity interest investment in The Altman Companies and its acquisitions of Renin, IT'SUGAR, and other businesses in the confectionery industry. New BBX Capital may also seek to make opportunistic investments outside of its existing portfolio. Some of these investments and acquisitions may be material. While New BBX Capital seeks to make investments and acquisitions in companies that provide opportunities for growth, its investments or acquisitions may not prove to be successful or, even if successful, may not initially generate income, or may generate income on an irregular basis or over a long time period. Accordingly, our results of operations may vary significantly on a quarterly basis and from year to year as a result of acquisitions and investments. Acquisitions or investments will also expose New BBX Capital to the risks of the businesses acquired or invested in. Acquisitions and investments entail numerous risks, including:

- Risks associated with achieving profitability;
- Difficulties in integrating and assimilating acquired management, acquired company founders, and operations;
- Losses and unforeseen expenses or liabilities;
- Risks associated with entering new markets in which we have no or limited prior experience;
- The potential loss of key employees or founders of acquired organizations;
- Risks associated with transferred assets and liabilities; and
- The incurrence of significant due diligence expenses relating to acquisitions, including with respect to those that are not completed.

New BBX Capital may not be able to integrate or profitably manage acquired businesses, including Renin, IT'SUGAR, and its other operating businesses or its investment in The Altman Companies, without substantial costs, delays, or other operational or financial difficulties, including difficulties in integrating information systems and personnel and establishing control environment processes across acquired businesses. Further, New BBX Capital may not be able to monitor the day to day activities of its investments in joint ventures, and failure to do so could have a material adverse effect on its business, financial condition and results of operations. In addition, to the extent that operating businesses are acquired outside the United States or the State of Florida, there will be additional risks related to compliance with foreign regulations and laws including tax laws, labor laws, currency fluctuations and geographic economic conditions.

In addition, there may be significant competition for investments and acquisitions, which could increase the costs associated with the investment or acquisition. Substantial costs are incurred in connection with the evaluation of potential acquisition and investment opportunities whether or not the acquisition or investment is ultimately consummated. Further, funding of such investments or acquisitions may require additional debt or equity financing, which will subject New BBX Capital to the risks and uncertainties described in these risk factors with respect to those activities in the immediately following risk factors. If New BBX Capital requires additional financing in the future, the financing may not be available when needed or on favorable terms, if at all. Additionally, New BBX Capital does not intend to seek shareholder approval of any investments or acquisitions unless required by law or regulation, or by New BBX Capital's Articles of Incorporation or Amended and Restated Bylaws ("Bylaws").

New BBX Capital from time to time also pursues transactions involving the sale of its subsidiaries or investments or other transactions which would result in a decrease in New BBX Capital's ownership interest in its subsidiaries. There is no assurance that any such transactions, if pursued and consummated, will generate a profit or otherwise be advantageous to New BBX Capital.

New BBX Capital may issue additional securities and incur additional indebtedness at New BBX Capital or its subsidiaries.

New BBX Capital may in the future seek to raise funds through the issuance of debt or equity securities. There is generally no restriction on New BBX Capital's ability to issue debt or equity securities which are pari passu or have a preference over its Class A Common Stock and Class B Common Stock. Authorized but unissued shares of New BBX Capital's capital stock are available for issuance from time to time at the discretion of New BBX Capital's board of directors, and any such issuance may be dilutive to New BBX Capital's shareholders.

Substantial sales of New BBX Capital's Class A Common Stock or Class B Common Stock could adversely affect the market prices of such securities.

Substantial sales of New BBX Capital's Class A Common Stock or Class B Common Stock, including sales of shares by controlling shareholders and management, could adversely affect the market prices of such securities. Management has in the past and may in the future enter into Rule 10b5-1 plans pursuant to which a significant number of shares are sold into the open market.

BBX Capital Real Estate

Some of BBX Capital Real Estate's operations are through unconsolidated joint ventures with others, and we may be adversely impacted by a joint venture partner's failure to fulfill its obligations.

From time to time BBX Capital Real Estate has entered into joint ventures which reduces the amount BBX Capital Real Estate is required to invest in the development of the real estate properties. However, joint venture partners may become financially unable or unwilling to fulfill their obligations under the joint venture agreements. Most joint ventures borrow money to help finance their activities, and although recourse on the loans is generally limited to the managing members, joint ventures and their properties, BBX Capital Real Estate has in some cases and may in the future provide ongoing financial support or guarantees. If joint venture partners do not meet their obligations to the joint venture, BBX Capital Real Estate may be required to make significant expenditures, which may have an adverse effect on our operating results or financial condition. BBX Capital Real Estate has in the past and may in the future hold investments in a number of different joint ventures with the same or related developers, which could increase the adverse effects of any failures by such developer to fulfil its obligations. BBX Capital Real Estate has a substantial investment in The Altman Companies and related investments in Altis multifamily apartment joint ventures developed and managed by The Altman Companies and Joel Altman ("JA"). Additionally, BBX Capital Real Estate has contributed $3.8 million to a newly formed joint venture with JA that guarantees the indebtedness and construction cost overruns of new real estate joint ventures established by The Altman Companies, which increases BBX Capital Real Estate's risk of loss in connection with its real estate joint venture investments managed by JA and The Altman Companies.

Investments by BBX Capital Real Estate in real estate developments directly or through joint ventures expose it to market and economic risks inherent in the real estate construction and development industry.

The real estate construction and development industry is highly competitive and subject to numerous risks which in many cases are beyond management's control. The success of BBX Capital Real Estate's investments in real estate developments is dependent on many factors, including:

- Demand for or oversupply of new homes, finished lots, rental apartments and commercial real estate;
- Demand for commercial real estate tenants;
- Real estate market values;
- Changes in capitalization rates impacting real estate values;
- Availability and reasonable pricing of skilled labor;
- Availability and reasonable pricing of construction materials, such as lumber, framing, concrete and other building materials, including increases associated with tariffs;
- Changes in laws and regulations for new construction and land entitlements, including environmental and zoning laws and regulations;
- Natural disasters and severe weather conditions increasing costs, delaying construction, causing uninsured losses or reducing demand for new homes;
- Availability and cost of mortgage financing for potential purchasers;
- Inventory of foreclosed homes negatively impacting selling prices;
- Mortgage loan interest rates;
- Availability of land in desirable locations at prices that result in an economically viable project;
- Availability, delays and costs associated with obtaining permits, approvals or licenses necessary to develop property;
- Construction defects and product liability claims;
- Risk of losses resulting from cost overrun guarantees in The Altman Companies' sponsored projects that require unique high-density apartment developments in certain markets; and
- General economic conditions.

Any of these factors could give rise to delays in the start or completion of a project, increase the cost of developing a project, or result in reduced prices and values for New BBX Capital's developments, including developments underlying its joint venture investments. These factors could also result in New BBX Capital being unable to identify real estate inventory opportunities which meet its investment criteria. In addition, New BBX Capital's efforts to identify additional investment opportunities, including the development of multifamily apartment communities that will be owned over a long-term hold period, the acquisition of existing multifamily apartment communities which can be renovated and re-leased pursuant to a "value add" strategy, and the pursuit of investment opportunities in additional geographic locations may not prove to be successful.

A significant portion of BBX Capital Real Estate's loans and real estate assets are located in Florida, and conditions in the Florida real estate market could adversely affect our earnings and financial condition.

The legacy assets retained by us in Parent's sale of BankAtlantic in 2012, the real estate developments managed by BBX Capital Real Estate, and the real estate being developed by joint ventures in which BBX

Capital Real Estate has invested are primarily concentrated in Florida, and adverse changes to the Florida economy or the real estate market may negatively impact our earnings and financial condition. As a result, BBX Capital Real Estate is exposed to geographic risks of high unemployment rates, declines in the housing industry and declines in the real estate market in Florida. Adverse changes in laws and regulations in Florida would have a negative impact on our revenues, financial condition and business. Declines in the Florida housing markets may negatively impact the credit performance of BBX Capital Real Estate's loans and result in asset impairments. Further, the State of Florida is subject to the risks of natural disasters, such as tropical storms and hurricanes, which may disrupt operations, adversely impact the ability of borrowers to timely repay their loans, adversely impact the value of any collateral securing loans and BBX Capital Real Estate's portfolio of real estate, or otherwise have an adverse effect on our results of operations. The severity and impact of tropical storms, hurricanes and other weather related events are unpredictable.

BBX Capital Real Estate's inability to finance its real estate developments through Community Development District Bonds or obtain performance bonds or letters of credit could adversely affect our results of operations and liquidity.

BBX Capital Real Estate is often required to provide performance bonds and letters of credit under construction contracts or development agreements. BBX Capital Real Estate also obtained financing for the construction of infrastructure improvements for the first two phases of its Beacon Lake development in St. Johns County, Florida from the issuance of Community Development Bonds. BBX Capital Real Estate's ability to obtain performance bonds, letters of credit, or additional issuances of Community Development Bonds is dependent on BBX Capital Real Estate's credit rating, financial condition, and historical performance. If BBX Capital Real Estate is unable to obtain these bonds or letters of credit or cause the issuance of Community Development Bonds when required or desirable, our results of operations and liquidity could be adversely affected.

In connection with the sale of BankAtlantic to BB&T during July 2012, we acquired nonperforming loans and foreclosed real estate, and our results of operations and financial condition may be adversely affected if these assets are monetized below their current book values.

As a result of Parent's sale of BankAtlantic in 2012, we maintain and manage a portfolio of foreclosed real estate and non-performing loans managed by BBX Capital Real Estate. As a consequence, our financial condition and results of operations will be dependent on BBX Capital Real Estate's ability to successfully manage and monetize these legacy assets. Further, the loan portfolio and real estate may not be easily salable in the event BBX Capital Real Estate decides to liquidate an asset through a sale transaction. If the legacy assets are not monetized at or near the current book values ascribed to them, or if these assets are liquidated for amounts less than book value, our financial condition and results of operations would be adversely affected. Because a majority of these legacy assets do not generate income on a regular basis, we do not expect to generate significant revenue or income with respect to these assets until such time as an asset is monetized through repayments or BBX Capital Real Estate consummates transactions involving the sale, joint venture or development of the underlying real estate or investments.

BBX Sweet Holdings

Market demand for candy products could decline.

BBX Sweet Holdings confectionery businesses operate in highly competitive markets and compete with larger companies that have greater resources. BBX Sweet Holdings success is impacted by many factors, including the following:

- Effective retail execution;
- Effective and cost-efficient advertising campaigns and marketing programs;

- Adequate supply of commodities at a reasonable cost;
- Oversight of product safety;
- Ability to sell products at competitive prices;
- Response to changes in consumer preferences and tastes;
- Changes in consumer health concerns, including obesity and the consumption of certain ingredients; and
- Concerns related to effects of sugar or other ingredients which may be used to make its products.

A decline in market demand for candy products could negatively affect operating results.

IT'SUGAR's opening of new stores in high profile locations may reduce earnings, require additional financing and increase capital expenditures.

IT'SUGAR's business strategy is to open new stores in high profile locations. While IT'SUGAR seeks new store locations to provide opportunities for growth and earnings, IT'SUGAR may not be successful in identifying these opportunities or may open new stores which are not profitable. The expansion of stores could expose IT'SUGAR to additional debt financing, may not generate anticipated results, or may result in losses or future impairments, which can have an adverse effect on its results of operations and liquidity.

IT'SUGAR's continued success is dependent on its ability to differentiate itself from other retailers in the confectionery industry.

IT'SUGAR in the past has differentiated itself from other retailers through merchandise packaging, licenses, store environment, and celebrity endorsements. IT'SUGAR's results of operations and financial condition would be adversely affected if it is unable to obtain celebrity endorsements or licenses at a reasonable cost or to maintain its distinct appeal or if actions by its competitors reduce the effectiveness of its business model.

BBX Sweet Holdings may experience product recalls or product liability claims associated with businesses in the confectionery industry.

Selling products for human consumption involves inherent legal and other risks, including product contamination, spoilage, product tampering, allergens, or other adulteration. BBX Sweet Holdings could decide or be required to destroy inventory, recall products or lose sales in connection with contamination, tampering, adulteration or other deficiencies. These events could result in significant losses and may damage the reputation of our confectionery businesses, and discourage consumers from buying products, or cause production and delivery disruptions which would adversely affect our financial condition and results of operations. BBX Sweet Holdings may also incur losses if products cause injury, illness or death. A significant product liability claim may adversely affect both reputation and profitability, even if the claim is unsuccessful.

New BBX Capital's strategic initiatives in connection with its investment in companies in the confectionery industry may not be successful.

During 2019, 2018 and 2017, BBX Sweet Holdings exited its candy manufacturing facilities in Utah and South Florida, consolidated its wholesale manufacturing operations in Orlando and centralized the executive management and back office activities in order to improve operating efficiencies and generate cost savings. These strategic initiatives may not be successful, and BBX Sweet Holdings may decide to exit the remaining manufacturing operations, which could result in additional losses and adversely affect our results of operations.

Renin

Renin's retail sales are concentrated with big-box home center customers, and there is significant competition in the industry.

A significant amount of Renin's sales are to big-box home centers. These home centers in many instances have significant negotiating leverage with their vendors, including Renin, and are able to affect the prices of the products sold and the terms and conditions of conducting business with them. These home centers may also reduce the number of vendors they purchase from or make significant changes in their volume of purchases. Although homebuilders, dealers and other retailers represent other channels of distribution for Renin's products, the loss of a home center customer or reduced sales volume at any of these home centers would have a material adverse effect on Renin's business. Further, Renin has substantial competition from overseas manufacturers of products similar to those sold by Renin.

A significant portion of Renin's business relies on home improvement and new home construction activity, both of which are cyclical and outside of management's control.

A significant portion of Renin's business is dependent on the levels of home improvement activity, including spending on repair and remodeling projects, and new home construction activity. Macroeconomic conditions, including consumer confidence levels, fluctuations in home prices, unemployment and underemployment levels, interest rates, regulatory initiatives, and the availability of home equity loans and mortgage financing affect both discretionary spending on home improvement projects as well as new home construction activity. Adverse changes in these factors or uncertainty regarding these macroeconomic conditions could result in a decline in spending on home improvement projects and a decline in demand for new home construction, both of which could adversely affect Renin's results of operations.

Renin's operating results would be negatively impacted if it experiences increased commodity costs or a limited availability of commodities.

Renin purchases various commodities to manufacture products, including steel, aluminum, glass and mirrors. Fluctuations in the availability and prices of these commodities could increase the cost to manufacture products. Further, increases in energy costs could increase production and transportation costs, each of which could negatively affect its operating results. Renin's existing arrangements with customers, competitive considerations and the relative negotiating power and resistance of home center customers and big-box retailers to price increases make it difficult to increase selling prices to absorb increased production costs. If Renin is not able to increase the prices of its products or achieve other cost savings or productivity improvements to offset any increased commodity and production costs, our operating results could be negatively impacted. Many of the raw materials purchased by Renin are sourced from China, Mexico, and other countries. Changes in United States trade practices, or tariffs levied on these imports, could significantly impact Renin's results of operations and financial condition.

Other Risk Factors

New BBX Capital or its subsidiaries may incur additional indebtedness.

New BBX Capital and its subsidiaries have in the past and may in the future incur significant amounts of debt. Further, additional indebtedness could have important effects on New BBX Capital, including that debt service requirements will reduce cash available for operations, future investment and acquisition opportunities and payments of dividends, if any, and that increased leverage could impact New BBX Capital's liquidity and increase its vulnerability to adverse economic or market conditions. Additionally, agreements relating to additional indebtedness could contain financial covenants and other restrictions limiting New BBX Capital's operations and its ability to pay dividends, if any, borrow additional funds or acquire or dispose of assets, and expose New BBX Capital to the risks of being in default of such covenants.

The Company's technology requires updating, the cost involved in updating the technology may be significant, and the failure to keep pace with developments in technology could impair the Company's operations or competitive position.

The industries in which the Company does business require the utilization of technology and systems, including technology utilized for sales and marketing, mortgage servicing, property management, brand assurance and compliance. This technology requires continuous updating and refinements, including technology required to remain competitive and to comply with the legal requirements such as privacy regulations and requirements established by third parties. The Company is taking steps to update its information technology platform, which has required, and is likely to continue to require, significant capital expenditures. Older systems which have not yet been updated may increase the risk of operational inefficiencies, financial loss and non-compliance with applicable legal and regulatory requirements, and the Company may not be successful in updating such systems in the time frame or at the cost anticipated. Further, as a result of the rapidly changing technological environment, systems which the Company has put in place or expects to put in place in the near term may become outdated, requiring new technology, and the Company may not be able to replace those systems as quickly as its competition or within budgeted costs and time frames. Further, the Company may not achieve the benefits that may have been anticipated from any new technology or system.

In addition, conversions to new information technology systems require effective change management processes and may result in cost overruns, delays or business interruptions. If the Company's information technology systems are disrupted, become obsolete, or do not adequately support our strategic, operational, or compliance needs, the Company's business, financial position, results of operations, or cash flows may be adversely affected.

Information technology failures and failure to maintain the integrity of the Company's internal or customer data could result in faulty business decisions or operational inefficiencies, damage the Company's reputation and/or subject the Company to costs, fines, or lawsuits.

The Company relies on information technology (IT) systems, including Internet sites, data hosting facilities and other hardware and platforms, some of which are hosted by third parties. These IT systems, like those of most companies, may be vulnerable to a variety of interruptions and risks, including, but not limited to, natural disasters, telecommunications failures, hackers, and other security issues. Moreover, the Company's computer systems, like those of most companies, may become subject to computer viruses or other malicious codes, and to cyber or phishing-attacks. Although administrative and technical controls have been implemented which attempt to minimize the risk of cyber incidents, computer intrusion efforts are becoming increasingly sophisticated, and any enhanced controls installed might be breached. If the IT systems cease to function properly, the Company could suffer interruptions in its operations. The Company collects and retains large volumes of internal and customer data, including social security numbers, credit card numbers and other personally identifiable information of its customers in various internal information systems and information systems of its service providers. The Company also maintains personally identifiable information about its employees. The integrity and protection of that customer, employee and company data is critical to the Company and faulty decisions could be made if that data is inaccurate or incomplete. The regulatory environment as well as the requirements imposed on the Company by the payment card industry surrounding information, security and privacy is also increasingly demanding, in both the United States and other jurisdictions in which the Company operates. The Company's systems may be unable to satisfy changing regulatory and payment card industry requirements and employee and customer expectations, or may require significant additional investments or time in order to do so.

The Company's information systems and records, including those it maintains with its service providers, may be subject to security breaches, cyberattacks, system failures, viruses, operator error or inadvertent releases of data. A significant theft, loss, or fraudulent use of customer, employee or company data maintained by the Company or by a service provider could adversely impact the Company's reputation and could result in remedial and other expenses, fines or litigation. A breach in the security of the Company's information systems or those of its service providers could lead to an interruption in the operation of the Company's systems, resulting in operational inefficiencies and a loss of profits. This could require the Company to incur significant costs to comply with legally required protocols and to repair or restore the security of its systems.

The tax impact resulting from the Tax Cuts and Jobs Act are based on interpretations and assumptions the Company has made. Any changes in interpretations and assumptions or the issuance of additional regulatory guidance may have a material adverse impact on our tax rate in fiscal years 2019 and beyond.

On December 22, 2017, U.S. federal tax legislation, commonly referred to as the Tax Cuts and Jobs Act (the "Tax Reform Act"), was signed into law, significantly changing the U.S. Internal Revenue Code. The Tax Reform Act is complex, and the Company has made judgments and interpretations about the application of these changes in the tax laws. The interpretation and finalization of recently proposed regulations and other interpretive guidance that may be issued by the Internal Revenue Service could differ from our interpretations of the Tax Reform Act which could result in the potential for the payment of additional taxes, penalties or interest that may adversely affect our results of operations for the fiscal years 2020 and beyond.

The Company's insurance policies may not cover all potential losses.

The Company maintains insurance coverage for liability, property and other risks with respect to its operations and activities. While the Company currently has comprehensive property and liability insurance policies with coverage features and insured limits that it believes are customary, market forces beyond the Company's control may limit the scope of the insurance coverage it can obtain or ability to obtain coverage at reasonable rates. The cost of insurance may increase and coverage levels may decrease, which may affect the Company's ability to maintain insurance coverage and deductibles at acceptable costs. There is a limit as well as various sub-limits on the amount of insurance proceeds the Company will receive in excess of applicable deductibles. Further, certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, terrorist acts, and certain environmental matters, may be outside the general coverage limits of the Company's policies, subject to large deductibles, deemed uninsurable or too cost-prohibitive to justify insuring against. In addition, in the event of a substantial loss, the insurance coverage the Company carries may not be sufficient to pay the full market value or replacement cost of the affected property or in some cases may not provide a recovery for any part of a loss.

If an insurable event occurs that affects more than one of the Company's properties, the claims from each affected property may be considered together to determine whether the individual occurrence limit, annual aggregate limit or sub-limits, depending on the type of claim, have been reached. If the limits or sub-limits are exceeded, each affected property may only receive a proportional share of the amount of insurance proceeds provided for under the policy. As a result, the Company could lose some or all of the capital it has invested in a property, as well as the anticipated future revenue opportunities from the property. Further, the Company could remain obligated under guarantees or other financial obligations related to a property.

Adverse outcomes in legal or other regulatory proceedings, including claims of non-compliance with applicable regulations or development-related defects could adversely affect the Company's financial condition and operating results.

In the ordinary course of business, the Company is subject to litigation and other legal and regulatory proceedings, which result in significant expenses and devotion of time and the Company may agree to indemnify third parties or its strategic partners from damages or losses associated with such risks. In addition, litigation is inherently uncertain, and adverse outcomes in the litigation and other proceedings to which the Company is or may be subject could adversely affect its financial condition and operating results.

BBX Capital Real Estate engages third-party contractors in its developments. However, BBX Capital Real Estate's customers may assert claims against BBX Capital Real Estate for construction defects or other perceived development defects, including, without limitation, structural integrity, the presence of mold as a result of leaks or other defects, water intrusion, asbestos, electrical issues, plumbing issues, road construction, water and sewer defects and defects in the engineering of amenities. In addition, certain state and local laws may impose liability on property developers with respect to development defects discovered in the future. BBX Capital Real Estate could have to accrue a significant portion of the cost to repair such defects in the quarter when such defects arise or when the repair costs are reasonably estimable.

Costs associated with litigation, including claims for development-related defects, and the outcomes thereof, which in most instances are very difficult to predict, could adversely affect the Company's liquidity, financial condition and operating results.

The Company is subject to environmental laws related to its real estate activities including claims with respect to mold or hazardous or toxic substances, which could have a material adverse impact on our financial condition and operating results.

As current or previous owners or operators of real property, the Company may be liable under federal, state and local environmental laws, ordinances and regulations for the costs of removal or remediation of hazardous or toxic substances on, under or in the property. These laws often impose liability whether or not we knew of, or were responsible for, the presence of such hazardous or toxic substances. The presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or lease real estate or to borrow money using such real estate or receivables generated from the sale of such property as collateral. Noncompliance with environmental, health or safety requirements may require us to cease or alter operations at one or more of our properties. Further, we may be subject to common law claims by third parties based on damages and costs resulting from violations of environmental regulations or from contamination associated with one or more of our properties. The cost of investigating, remediating or removing such hazardous or toxic substances may be substantial.

The Company's business may be adversely impacted by negative publicity, including information spread through social media.

The proliferation and global reach of social media continues to expand rapidly and could cause the Company to suffer reputational harm. The continuing evolution of social media presents new challenges. Negative posts or comments about the Company, the properties it manages or its brands on any social networking or user-generated review website, could affect consumer opinions of the Company and its products, and the Company cannot guarantee that it will timely or adequately redress such instances.

The loss of the services of key management and personnel could adversely affect the Company's business.

The Company's ability to successfully implement its business strategy will depend on the ability to attract and retain experienced and knowledgeable management and other professional staff. If the Company is unable to retain and motivate its existing employees and efforts to retain and attract key management and other personnel are unsuccessful, the Company's results of operations and financial condition may be materially and adversely impacted.

Changes to and replacement of the LIBOR benchmark interest rate could adversely affect our results of operations and liquidity.

In July 2017, the Financial Conduct Authority (the regulatory authority over LIBOR) stated they will plan for a phase out of regulatory oversight of LIBOR interest rate indices after 2021 to allow for an orderly transition to an alternate reference rate. The Alternative Reference Rates Committee (ARRC) has proposed that the Secured Overnight Financing Rate (SOFR) is the rate that represents best practice as the alternative to LIBOR for promissory notes or other contracts that are currently indexed to LIBOR. The ARRC has proposed a market transition plan to SOFR from LIBOR and organizations are currently working on transition plans as it relates to derivatives and cash markets exposed to LIBOR. The Company currently has $14.5 million of LIBOR indexed notes payable and lines of credit that mature before 2021. Changes in the method of calculating LIBOR, or the replacement of LIBOR with SOFR or another alternative rate or benchmark, may adversely affect interest rates and result in high borrowing costs, which could adversely affect New BBX Capital's results of operations and liquidity. We cannot predict the effect of the potential changes to LIBOR or the establishment and use of alternative rates or benchmarks.

The COVID-19 pandemic has had, and the current and uncertain future outlook of the pandemic may continue to have, a significant adverse effect on our business, financial condition, liquidity and results of operations.

The COVID-19 pandemic has been, and continues to be, an unprecedented disruption in the U.S. and global economies and its rapid spread, as well as the escalating measures governments, private organizations and individuals have implemented in order to stem the spread of this pandemic, have had, and are expected to continue to have, a material adverse impact on our business, operating results and financial condition, including due to government ordered travel restrictions, restrictions on business operations, and stay at home orders and guidelines. Furthermore, while it is not currently possible to accurately assess the expected duration and severity of the pandemic on the Company's operations, and additional restrictions or other events stemming from the pandemic could further lengthen or exacerbate these adverse effects, the Company expects that demand for many of the Company's products and services may remain weak for a significant length of time, and the Company cannot predict if and when the industries in which the Company operates will return to pre-pandemic levels.

Steps we have implemented in an attempt to mitigate the effects of the pandemic on our business and to preserve liquidity may themselves have negative consequences with respect to our business and operations, including by reducing sales. In addition, the cost savings we are seeking to achieve from these measures will not be recognized immediately and will not completely offset the decrease in revenues and other adverse impacts of the pandemic.

Our operations could also be negatively affected further if our employees are quarantined or sickened as a result of exposure to COVID-19, or if they are subject to governmental COVID-19 curfews or "shelter in place" health orders. Measures restricting the ability of employees to come to work may cause a further deterioration in our service or operations, all of which could negatively affect our business.

We are unable to predict how long these conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on our business. Furthermore, not only is the duration of the pandemic and combative measures unknown, the overall situation is extremely fluid, and it is impossible to predict the timing of future changes in the situation and what their impact may be on our business. At this time we are also not able to predict whether the COVID-19 pandemic will result in permanent changes in our customers' behavior, which may include continued or permanent decreases in discretionary spending and reductions in demand for retail store and confectionery products, home improvement products or real estate, each of which would have a material adverse impact on our business, operating results and financial condition. New BBX Capital's management is evaluating the potential operating deficits and liquidity requirements of its subsidiaries as a result of the impact of the pandemic and may determine not to provide additional funding or capital to subsidiaries whose operations they believe may not be sustainable.

There are inherent uncertainties involved in estimates, judgments and assumptions used in the preparation of financial statements in accordance with GAAP. Any changes in estimates, judgments and assumptions used could have a material adverse effect on our financial condition and operating results.

The preparation of financial statements in accordance with GAAP involves making estimates, judgments and assumptions that affect reported amounts of assets (including long-lived assets, goodwill and other intangible assets), liabilities and related reserves, revenues, expenses and income. This includes estimates, judgments and assumptions for assessing the amortization/accretion of purchase accounting fair value differences and the impairment of long-lived assets, goodwill and other intangible assets pursuant to applicable accounting guidance. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are often not readily apparent from other sources. However, estimates, judgments and assumptions can be highly uncertain and are subject to change in the future, and our estimates, judgments and assumptions may prove to be incorrect and our actual results may differ from these estimates under different assumptions or conditions. If any estimates, judgments or assumptions change in the future, or our actual results differ from our estimates or assumptions, we may be required to record additional expenses or impairment charges, which would be recorded as a charge against our earnings and could have a material adverse impact on our financial condition and operating results.

Risks Relating to the Spin-Off

The distribution of New BBX Capital's common stock will not qualify for tax-free treatment.

The distribution does not qualify for tax-free treatment and, accordingly, will be a taxable transaction to Parent's shareholders. For U.S. federal income tax purposes, the receipt of New BBX Capital's Class A Common Stock or Class B Common Stock in the spin-off is expected to be treated as a distribution of property in an amount equal to the fair market value of the stock received. We believe that a reasonable approach to determine the fair market value of the shares of New BBX Capital's Class A Common Stock or Class B Common Stock received would be to use the volume-weighted average price of New BBX Capital's common stock on the first full trading day following the distribution. We believe this is a reasonable approach because the rights of New BBX Capital's Class A Common Stock and Class B Common Stock (other than voting rights, as described above) are substantially the same and New BBX Capital's Class B Common Stock will be convertible into shares of New BBX Capital's Class A Common Stock on a share-for-share basis in the holder's discretion; however, there is expected to be significantly less trading volume in the shares of New BBX Capital's Class B Common Stock as compared to New BBX Capital's Class A Common Stock. The distribution of New BBX Capital's Class A Common Stock or Class B Common Stock in the spin-off should be treated as ordinary dividend income to the extent considered paid out of Parent's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of Parent's current year and accumulated earnings and profits will be treated as a non-taxable return of capital, which reduces basis, to the extent of the holder's basis in its shares of Parent's Class A Common Stock or Class B Common Stock, as applicable, and thereafter as capital gain. The amount of those earnings and profits is not determinable at this time because it will depend on Parent's income for the entire tax year in which the distribution occurs. For more information regarding the potential U.S. federal income tax consequences to you of the distribution, see the section entitled "The Spin-Off—Material U.S. Federal Income Tax Consequences of the Spin-Off."

New BBX Capital may be unable to achieve some or all of the expected benefits of the spin-off, and the spin-off may adversely affect New BBX Capital's business.

As a new, publicly-traded company, New BBX Capital may be more susceptible to market fluctuations and other adverse events than New BBX Capital would have been were it still a part of Parent's organization. New BBX Capital's performance may not meet expectations for a variety of reasons. There can be no assurance that the spin-off will not adversely affect New BBX Capital's business.

New BBX Capital's ability to meet its capital needs may be harmed by the loss of financial support from Parent, and New BBX Capital may not be able to obtain funds necessary to operate its business.

The loss of financial support from Parent could materially impact New BBX Capital's ability to meet its capital needs. Parent is currently in a position to provide capital that may be needed in excess of the amounts generated by New BBX Capital's operating activities, including specifically for capital expenditures. While, in connection with the spin-off, Parent has agreed to contribute to New BBX Capital all of Parent's cash and cash equivalents other than the cash and cash equivalents of Bluegreen Vacations, any special cash dividend paid by Bluegreen Vacations prior to the spin-off, and $25 million which will be retained by Parent, and such cash contribution would be in the amount of $112.8 million based on cash and cash equivalent balances at March 31, 2020, the actual amount of the cash contribution will be based on Parent's cash and cash equivalent balance at the time of the spin-off and may be less than assumed for purposes hereof, including for purposes of preparing the unaudited pro forma financial statements included herein. To the extent New BBX Capital needs funds in excess of the amount actually contributed to it and the amounts generated from operating activities following the spin-off, New BBX Capital would be required to obtain such funds through accessing the capital or debt markets, and not from Parent. As a standalone company apart from Parent's organization, the cost of financing may also depend on factors such as, among other things, New BBX Capital's performance and financial market conditions generally. Accordingly, New BBX Capital may not be able to obtain financing or otherwise raise funds necessary to operate its business on favorable terms, or at all. If New BBX Capital is unable to raise additional capital when required or on acceptable terms, New BBX Capital may have to significantly delay, scale back or discontinue certain investments or operations. Any of these events could significantly adversely impact New BBX Capital's business and prospects and could cause New BBX Capital's stock price to decline. In addition, any debt financing, if available, may restrict New BBX Capital's operations and activities. New BBX Capital's indebtedness could also have other important consequences for holders of New BBX Capital's common stock. If New BBX Capital cannot generate sufficient cash flow from operations to meet future debt payment obligations, then New BBX Capital may be required to attempt to restructure or refinance such debt, raise additional capital or take other actions such as selling assets, or reducing or delaying capital expenditures. There is no assurance that New BBX Capital will be able to effect any such actions or do so on satisfactory terms, if at all, or that such actions would be permitted by the terms of New BBX Capital's indebtedness. Further, to the extent that New BBX Capital raises additional funds by issuing equity securities, New BBX Capital's shareholders would experience dilution, which may be significant and could cause the market price of New BBX Capital's common stock to decline.

New BBX Capital may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as a separate, publicly traded company, and New BBX Capital may experience increased costs after the spin-off.

Following the spin-off, Parent will have no obligation to provide New BBX Capital with assistance other than the obligations and services contained in the agreements between Parent and New BBX Capital relating to the spin-off, including the Separation and Distribution Agreement and other agreements described under "The Spin-Off – Relationship Between New BBX Capital and Parent." These services do not include every service that New BBX Capital has received from Parent in the past, and Parent is only obligated to provide the services for limited periods following completion of the spin-off. The agreements relating to such services and to the spin-off were agreed to prior to the spin-off, at a time when New BBX Capital's business was still operated as part of Parent's organization, and New BBX Capital did not have an independent board of directors or management team representing its interests with respect to such agreements.

Following the spin-off and the expiration of the aforementioned agreements, New BBX Capital will need to provide internally or obtain from unaffiliated third parties the services New BBX Capital will no longer receive from Parent. These services may include, without limitation, legal, accounting, information technology, software development, human resources and other infrastructure support, the effective and appropriate performance of which may be critical to New BBX Capital's operations. New BBX Capital may be unable to replace these services in a timely manner or on terms and conditions as favorable as those received from Parent. New BBX Capital may be unable to successfully establish the infrastructure or implement the changes necessary to operate independently, or may incur additional costs that could adversely affect New BBX Capital. If New BBX Capital fails to obtain the quality of services necessary to operate effectively or incurs greater costs in obtaining these services, New BBX Capital's business, financial condition and results of operations may be adversely affected.

As a public company, New BBX Capital will be subject to the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). These requirements may place a strain on New BBX Capital's systems and resources. The Exchange Act requires that New BBX Capital file reports and statements with the SEC, including annual, quarterly and current reports. Under the Sarbanes-Oxley Act, New BBX Capital must maintain effective disclosure controls and procedures and internal control over financial reporting, which requires significant resources and management oversight. New BBX Capital intends to implement additional procedures and processes to address the standards and requirements applicable to public companies, but these procedures may not be successful and the costs associated with compliance may be greater than anticipated.

New BBX Capital does not have an operating history as a standalone company apart from Parent's organization, and New BBX Capital's historical and pro forma financial information may not be a reliable indicator of New BBX Capital's future results.

The historical financial information New BBX Capital has included in this information statement has been derived from Parent's consolidated financial statements and accounting records and does not necessarily reflect what New BBX Capital's financial position, results of operations and cash flows would have been had New BBX Capital been a separate, stand-alone entity during the periods presented. Parent did not account for New BBX Capital, and New BBX Capital was not operated, as a separate, stand-alone company for the periods presented. Actual costs that may have been incurred if New BBX Capital had been a stand-alone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees, and strategic decisions made in areas such as information technology and infrastructure, and materiality thresholds would have been significantly lower. In addition, the historical information may not be indicative of what New BBX Capital's results of operations, financial position and cash flows will be in the future. For example, following the spin-off, changes may occur in New BBX Capital's cost structure, debt financing and interest expense, funding and operations, including changes in its tax structure, and New BBX Capital will incur increased costs associated with being a stand-alone public company.

Additionally, in preparing the unaudited pro forma combined financial statements contained in this information statement, New BBX Capital based the pro forma adjustments on available information and assumptions that New BBX Capital believes are reasonable and factually supportable; however, the assumptions may prove not to be accurate. Also, New BBX Capital's unaudited pro forma combined financial statements do not give effect to various ongoing additional costs New BBX Capital may incur in connection with being a stand-alone public company. Accordingly, the unaudited pro forma combined financial statements do not reflect what New BBX Capital's financial condition, results of operations or cash flows would have been as a stand-alone public company and is not necessarily indicative of New BBX Capital's future financial condition or results of operations.

The spin-off could give rise to disputes or other unfavorable effects, which could have a material adverse effect on New BBX Capital's business, financial position and results of operations.

Disputes with third parties could arise out of the distribution, and New BBX Capital could experience unfavorable reactions to the distribution from employees, investors, or other interested parties. These disputes and reactions could have a material adverse effect on New BBX Capital's business, financial position, and results of operations. In addition, following the spin-off, disputes between New BBX Capital and Parent could arise in connection with the Separation and Distribution Agreement and other agreements to be entered into between New BBX Capital and Parent in connection with the spin-off as described under "The Spin-Off – Relationship Between New BBX Capital and Parent."

New BBX Capital's potential indemnification obligations pursuant to the Separation and Distribution Agreement could have material adverse effects.

Under the Separation and Distribution Agreement, New BBX Capital has an obligation to indemnify Parent for liabilities associated with New BBX Capital's business, Parent's assets and liabilities being transferred to

New BBX Capital in connection with the spin-off, and any breach of New BBX Capital's obligations under the Separation and Distribution Agreement and other agreements to be entered into between New BBX Capital and Parent in connection with the spin-off as described under "The Spin-Off – Relationship Between New BBX Capital and Parent." The costs associated with any such indemnification could be significant and have a material adverse effect on New BBX Capital's results and financial condition.

New BBX Capital's current or prospective customers, suppliers or other companies with whom New BBX Capital conducts business may need assurances that New BBX Capital's financial condition on a stand-alone basis is sufficient to satisfy their requirements for doing or continuing to do business with them.

New BBX Capital's customers, suppliers or other companies with whom New BBX Capital conducts business may need assurances that New BBX Capital's financial condition on a stand-alone basis is sufficient to satisfy their requirements for doing or continuing to do business with them. If any of them are not satisfied with New BBX Capital's financial stability and cease doing business with New BBX Capital, New BBX Capital's business, financial condition and results of operations could be materially adversely affected.

Until the spin-off occurs, Parent may change the terms of the separation in ways that may be unfavorable to New BBX Capital.

Until the spin-off occurs, New BBX Capital will continue as a wholly-owned subsidiary of Parent. Accordingly, Parent will effectively have the sole and absolute discretion to determine and change the terms of the spin-off, including the establishment of the record date for the distribution and the distribution date. These changes could be unfavorable to New BBX Capital. Notwithstanding the foregoing, if the spin-off is approved by Parent's shareholders, then, following such approval, Parent may not, without the approval of its shareholders, change the terms of the spin-off in a manner that would be reasonably likely to have a material adverse impact on Parent's shareholders or New BBX Capital, or be reasonably likely to cause a shareholder who voted in favor of the spin-off to change its vote. Parent may decide at any time, including following any shareholder approval of the spin-off, not to proceed with the spin-off and to abandon the transaction.

Risks Relating to New BBX Capital's Common Stock

There is no existing market for New BBX Capital's common stock and an active trading market may not develop or be sustained after the spin-off. If the price of New BBX Capital's common stock fluctuates significantly following the spin-off, shareholders could incur substantial loss of their investment.

There currently is no public market for New BBX Capital's common stock and there can be no assurance that an active trading market will develop as a result of the spin-off or be sustained in the future. The lack of an active market may make it more difficult for you to sell your stock and could lead to the price of the stock being depressed or more volatile. The price at which New BBX Capital's common stock may trade after the spin-off cannot be predicted. The price of New BBX Capital's common stock could fluctuate widely in response to:

- New BBX Capital's quarterly and annual operating results;
- changes in New BBX Capital's business and the market's perception of New BBX Capital's business;
- changes in the businesses, earnings estimates or market perceptions of New BBX Capital's competitors or customers;
- changes in New BBX Capital's key personnel;
- changes in general market or economic conditions; and
- changes in the legislative or regulatory environment.

In addition, the stock market has experienced extreme price and volume fluctuations that have significantly affected the quoted prices of securities. The changes often appear to occur without regard to specific operating performance. The price of New BBX Capital's common stock could fluctuate based upon factors that have little or nothing to do with its business or its performance, and these fluctuations could materially reduce the price of New BBX Capital's common stock.

Substantial sales of New BBX Capital's common stock may occur in connection with thespin-off, which could cause the price of the common stock to decline.

Other than shareholders that are affiliates of Parent, shareholders of Parent receiving shares of New BBX Capital's common stock in the distribution generally may sell those shares immediately in the public market. Parent's shareholders may decide to sell the shares received in the distribution for any reason, including if, among other things, if New BBX Capital's common stock does not fit their investment objectives or, in the case of index funds, if New BBX Capital is not part of the index in which they invest. Sales of significant amounts of New BBX Capital's common stock or a perception in the market that such sales will occur may reduce the market price of the stock.

New BBX Capital's Articles of Incorporation provide for fixed relative voting percentages between New BBX Capital's Class A Common Stock and Class B Common Stock, which may not be well accepted by the market.

Like Parent's Class A and Class B Common Stock, New BBX Capital's Articles of Incorporation provide that holders of Class A Common Stock and Class B Common Stock will generally vote together as a single class, including with respect to the election of directors, with holders of Class A Common Stock possessing in the aggregate 22% of the total voting power of all common stock and holders of Class B Common Stock possessing in the aggregate the remaining 78% of the total voting power. These relative voting percentages will remain fixed unless the number of shares of Class B Common Stock outstanding decreases to 360,000 shares, at which time the Class A Common Stock's aggregate voting power will increase to 40% and the aggregate voting power of the Class B Common Stock will decrease to 60%. If the number of shares of Class B Common Stock outstanding decreases to 280,000 shares, then the Class A Common Stock's aggregate voting power will increase to 53% and the aggregate voting power of the Class B Common Stock will decrease to 47%. If the number of shares of New BBX Capital's Class B Common Stock outstanding decreases to 100,000 shares, then the fixed voting percentages will be eliminated and each share of Class A Common Stock and Class B Common Stock will be entitled to one vote per share. The share thresholds set forth above are subject to equitable adjustment to reflect any stock split, reverse stock split or similar transaction. The changes in the relative voting power represented by each class of New BBX Capital's common stock are based only on the number of shares of New BBX Capital's Class B Common Stock outstanding, thus issuances of Class A Common Stock, including under equity-based compensation plans and in connection with any acquisitions that New BBX Capital may pursue, will have no effect on these provisions. If additional shares of New BBX Capital's Class A Common Stock are issued without a comparative increase in the number of outstanding shares of New BBX Capital's Class B Common Stock, the disparity between the equity interest represented by New BBX Capital's Class B Common Stock and its voting power will widen. In addition, shareholders who hold shares of both New BBX Capital's Class A Common Stock and Class B Common Stock, including Alan B. Levan, John E. Abdo and Jarett S. Levan, will be able to sell shares of New BBX Capital's Class A Common Stock without affecting in any material respect their overall voting interest. If the fixed relative voting percentages between New BBX Capital's Class A Common Stock and Class B Common Stock provided by New BBX Capital's Articles of Incorporation is not well-accepted by the market, the trading market and market price of New BBX Capital's stock may be materially adversely affected.

Alan B. Levan, John E. Abdo and Jarett S. Levan's control position may adversely affect the market price of New BBX Capital's Class A Common Stock and Class B Common Stock.

Including shares subject to restricted stock awards which have not yet vested but which Alan B. Levan, John E. Abdo or Jarett S. Levan has the right to vote, Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan currently collectively beneficially own shares representing approximately 19.3% of Parent's outstanding Class A Common Stock and 86.1% of Parent's outstanding Class B Common Stock. In the aggregate, these shares currently represent approximately 32.1% of Parent's total outstanding common equity and 78.2% of the total voting power of Parent's Class A Common Stock and Class B Common Stock. Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan will have the same ownership and voting interest in New BBX Capital immediately following the spin-off as they have with respect to Parent immediately prior to thespin-off. Accordingly, and because New BBX Capital' Class A Common Stock and Class B Common Stock vote as a single class on most matters, including the election of directors, as described above, Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan will have the voting power to elect the members of New BBX Capital's Board of Directors and to control the outcome of any other vote of New BBX Capital's shareholders, except in those limited circumstances where Florida law mandates that the holders of New BBX Capital's Class A Common Stock vote as a separate class. This control position may have an adverse effect on the market price of New BBX Capital's Class A Common Stock and Class B Common Stock. In addition, their interests may conflict with the interests of New BBX Capital's other shareholders.

Provisions in New BBX Capital's Articles of Incorporation and Bylaws, and the rights agreement expected to be adopted by New BBX Capital, may make it difficult for a third party to acquire New BBX Capital and could impact the price of, or otherwise adversely impact, New BBX Capital's Class A Common Stock and Class B Common Stock.

New BBX Capital's Articles of Incorporation and Bylaws will contain provisions that could delay, defer or prevent a change of control of New BBX Capital or New BBX Capital's management. These provisions could make it more difficult for shareholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that investors are willing to pay in the future for shares of New BBX Capital's Class A Common Stock or Class B Common Stock. These provisions include:

- the provisions in New BBX Capital's Articles of Incorporation regarding the special voting rights of New BBX Capital's Class B Common Stock;
- subject to the special class voting rights of New BBX Capital's Class B Common Stock under certain circumstances, the authority of the Board of Directors to issue additional shares of common or preferred stock and to fix the relative rights and preferences of the preferred stock without shareholder approval, as described in further detail below; and
- advance notice procedures to be complied with by shareholders in order to make shareholder proposals or nominate directors.

In addition, it is expected that, prior to or in connection with thespin-off, New BBX Capital will adopt a rights agreement the terms of which will be similar to those contained in the rights agreement adopted by Parent in June 2020. The rights agreement may have an anti-takeover effect and will be an impediment to a proposed takeover of New BBX Capital which is not approved by New BBX Capital's Board of Directors and may also limit the trading of, or otherwise adversely impact the market price of, New BBX Capital's Class A Common Stock or Class B Common Stock. In addition, acquisitions of shares of New BBX Capital's Class A Common Stock or Class B Common Stock as a result of acquiring additional shares of Parent's Class A Common Stock or Class B Common Stock prior to the distribution or shares representing New BBX Capital's Class A Common Stock or Class B Common Stock in the when-issued trading market or as a result of the distribution will each be included in determining the beneficial ownership of a person and all such acquisitions following the first public announcement of New BBX Capital's adoption of the rights agreement will be taken into account in determining whether a person is an acquiring person under the terms of the rights agreement. Therefore, a person could become an acquiring person under the terms of the rights agreement simultaneously with the receipt of shares in the distribution. See "Description of Capital Stock" for additional information regarding the rights agreement expected to be adopted by New BBX Capital.

Further, due to the control position of Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan with respect to New BBX Capital's Class A Common Stock and Class B Common Stock, as described above, a change of control or sale of New BBX Capital, or any other action which requires the affirmative vote of holders of shares of New BBX Capital's Class A Common Stock and Class B Common Stock representing a majority of the voting power of such stock, will be impossible without the consent of Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan, and Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan's interests may conflict with the interests of New BBX Capital's other shareholders. Further, the rights agreement, if adopted by New BBX Capital, would, subject to limited exceptions expected to be set forth therein, prevent other shareholders from acquiring a greater than 5% ownership position in New BBX Capital' Class A Common Stock, Class B Common Stock or total combined common stock and, accordingly, would prevent a meaningful challenge to the influence of Mr. Alan Levan, Mr. Abdo and Mr. Jarett Levan over New BBX Capital, including matters submitted for shareholder approval.

Additionally, pursuant to New BBX Capital's Articles of Incorporation and Florida law, except as may be required by any national securities exchange or OTC Market on which New BBX Capital's Class A Common Stock or Class B Common Stock is traded or quoted and subject to the separate voting rights of New BBX Capital's Class B Common Stock in certain circumstances, New BBX Capital's Board of Directors may, without the consent of the New BBX Capital's shareholders, approve the issuance of authorized but unissued shares of New BBX Capital's securities and fix the relative rights and preferences of preferred stock. If New BBX Capital issues additional shares of its Class A Common Stock, Class B Common Stock or other securities, its shareholders would experience dilution. In addition, any preferred stock declared and issued could include dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of New BBX Capital's Class A Common Stock or Class B Common Stock or otherwise adversely affect the holders of New BBX Capital's Class A Common Stock or Class B Common Stock, including the likelihood that holders of New BBX Capital's Class A Common Stock or Class B Common Stock would receive dividend payments and payments on liquidation, or the amounts thereof. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, financing transactions and other corporate purposes, could also, among other things, have the effect of delaying, deferring or preventing a change in control or other corporate actions, and might adversely affect the market price of New BBX Capital's Class A Common Stock or Class B Common Stock.

New BBX Capital's Bylaws will contain an exclusive forum provision, which could impair the ability of shareholders to obtain a favorable judicial forum for certain disputes with us or our directors, officers or other employees and be cost-prohibitive to shareholders.

New BBX Capital's Bylaws will contain an exclusive forum provision which provides that, unless its Board of Directors consents to the selection of an alternative forum, the Circuit Court located in Miami-Dade County, Florida (or, if such Circuit Court does not have jurisdiction, another Circuit Court located within Florida or, if no Circuit Court located within Florida has jurisdiction, the federal district court for the Southern District of Florida) will be the sole and exclusive forum for "Covered Proceedings," which include: (i) any derivative action or proceeding brought on New BBX Capital's behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of New BBX Capital's directors, officers or other employees to New BBX Capital or its shareholders; (iii) any action asserting a claim against New BBX Capital or any of its directors, officers or other employees arising pursuant to any provision of the Florida Business Corporation Act, New BBX Capital's Articles of Incorporation or New BBX Capital's Bylaws (in each case, as may be amended or amended and restated from time to time); and (iv) any action asserting a claim against New BBX Capital or any of its directors, officers or other employees governed by the internal affairs doctrine of the State of Florida. To the extent within the categories set forth in the preceding sentence, Covered Proceedings include causes of action under the Exchange Act and the Securities Act. The exclusive forum provision will also provide that if any Covered Proceeding is filed in a court other than a court located within Florida in the name of any shareholder, then such shareholder shall be deemed to have consented to (a) the personal jurisdiction of the state and federal courts located within Florida in connection with any action brought in any such court to enforce the exclusive forum provision and (b) having service of process made upon such shareholder in any such enforcement action by service upon such shareholder's counsel in the action as agent for such shareholder. Notwithstanding the foregoing, shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

The exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with New BBX Capital or its directors, officers or other employees or be cost-prohibitive to shareholders, which may discourage such lawsuits against New BBX Capital and its directors, officers and other employees. However, there is uncertainty regarding whether a court would enforce the exclusive forum provision. If a court were to find the exclusive forum provision to be inapplicable or unenforceable in an action, New BBX Capital may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect New BBX Capital's financial condition and operating results.

New BBX Capital does not plan to pay dividends on its common stock.

New BBX Capital's dividend policy will be established by New BBX Capital's Board of Directors based on New BBX Capital's financial condition, results of operations and capital requirements, as well as other business considerations that New BBX Capital's Board considers relevant. Further, the terms of New BBX Capital's indebtedness may limit or prohibit the payments of dividends. New BBX Capital does not currently anticipate paying any cash dividends for the foreseeable future.

Utilizing the reduced disclosure requirements applicable to New BBX Capital may make New BBX Capital's common stock less attractive to investors.

New BBX Capital qualifies as an "emerging growth company" and is therefore eligible to utilize certain reduced reporting and other requirements that are otherwise applicable generally to public companies. Pursuant to these reduced disclosure requirements, New BBX Capital is not required to, among other things, provide certain disclosures regarding executive compensation, hold shareholder advisory votes on executive compensation or obtain shareholder approval of any golden parachute payments, and New BBX Capital has reduced financial disclosure obligations. New BBX Capital would cease to be an emerging growth company upon the earliest of:

- the last day of the fiscal year in which New BBX Capital has $1.07 billion or more in annual revenues;
- the last day of the fiscal year following the fifth anniversary of the date of the first sale of New BBX Capital's common equity securities pursuant to an effective registration statement under the Securities Act;
- the date on which New BBX Capital has issued more than $1.0 billion in non-convertible debt securities during the previous three-year period; and
- the date on which New BBX Capital is deemed to be a "large accelerated filer" (which is the last day of the fiscal year during which the total market value of New BBX Capital's common equity securities held by non-affiliates is $700 million or more, calculated as of the end of the second quarter (June 30) of such fiscal year).

In addition, New BBX Capital may in the future qualify as a "smaller reporting company," in which case New BBX Capital would be eligible to utilize the reduced disclosure requirements available to smaller reporting companies even after New BBX Capital ceases to be an emerging growth company. The reduced disclosure requirements available to smaller reporting companies are similar to those available to emerging growth companies, including reduced financial and executive compensation disclosures. Under current SEC rules, New BBX Capital will become a smaller reporting company if, as of the end of the second fiscal quarter following the completion of the spin-off (the quarter ending June 30, 2022 assuming the spin-off is completed prior to such date), the total market value of New BBX Capital's common equity securities held by non-affiliates is less than $200 million.

New BBX Capital intends to utilize the reduced reporting requirements and available exemptions for so long as New BBX Capital is permitted to do so. Investors may find New BBX Capital's common stock to be less attractive as a result of its utilization of the reduced disclosure requirements and exemptions, which may have a material, adverse effect on the trading market and market price of New BBX Capital's Class A Common Stock and Class B Common Stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This information statement and other materials that New BBX Capital has filed, or will file, with the SEC contain, or will contain, "forward-looking statements." Forward-looking statements are those that do not relate strictly to historical or current facts and can be identified by use of words such as "anticipates," "estimates," "expects," "intends," "plans," "believes," "will," "should," "would," "may," "could" or the negative of these terms or similar expressions or future or conditional verbs. Forward-looking statements include, among others, statements relating to New BBX Capital's future financial performance, business prospects and strategy, anticipated financial position, liquidity and capital needs, market potential, and other events or developments that New BBX Capital expects or anticipates will occur in the future and statements expressing general views about future operating results or conditions. These statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are impossible or difficult to predict. New BBX Capital's actual results may differ materially from those expressed in, or implied by, the forward-looking statements as a result of various factors, including, without limitation, those set forth below.

With respect to New BBX Capital generally, the various factors include, but are not limited to:

- risks and uncertainties relating to public health issues, including, in particular, theCOVID-19 pandemic, as it is not currently possible to accurately assess the expected duration and effects of the pandemic on New BBX Capital's business (these include required closures of retail locations, business restrictions, "shelter in place" and "stay at home" orders and advisories, volatility in the global and national economies and equity, credit, and commodities markets, worker absenteeism, quarantines, and other health-related restrictions; the duration and severity of the COVID-19 pandemic and the impact on demand for New BBX Capital's products and services (including, without limitation, bulk candy products), levels of consumer confidence, and supply chains; actions governments, businesses, and individuals take in response to the pandemic and their impact on economic activity and consumer spending, which will impact New BBX Capital's ability to successfully resume full business operations; the pace of recovery when the COVID-19 pandemic subsides; competitive conditions; New BBX Capital's liquidity and the availability of capital; the effects and duration of steps New BBX Capital takes in response to the COVID-19 pandemic, including the risk of lease defaults and the inability to rehire or replace furloughed employees; risks related to New BBX Capital's indebtedness, including the potential for accelerated maturities and debt covenant violations; the risk of heightened litigation as a result of actions taken in response to the COVID-19 pandemic; and the impact of the COVID-19 pandemic on consumers, including, but not limited to, their income, their level of discretionary spending both during and after the pandemic, and their views towards the retail and other industries in which New BBX Capital operates;
- risks and uncertainties affecting New BBX Capital and its results, operations, markets, products, services and business strategies, and the risks and uncertainties associated with its ability to successfully implement its currently anticipated plans, and its ability to generate earnings under the current business strategy;
- the performance of entities in which New BBX Capital has made investments may not be profitable or achieve anticipated results;
- risks associated with acquisitions, asset or subsidiary dispositions, or debt or equity financings which New BBX Capital may consider or pursue from time to time;
- risks of cybersecurity threats, including the potential misappropriation of assets or confidential information, corruption of data or operational disruptions;
- the updating of, and developments with respect to, technology, including the cost involved in updating our technology and the impact that any failure to keep pace with developments in technology could have on our operations or competitive position and our information technology expenditures may not result in the expected benefits;

- New BBX Capital's ability to compete effectively in the highly competitive industries in which it operates;
- New BBX Capital's ability to maintain the integrity of internal or customer data, the failure of which could result in damage to our reputation and/or subject us to costs, fines or lawsuits;
- New BBX Capital's relationships with key customers and suppliers may be materially diminished or terminated;
- the preparation of financial statements in accordance with GAAP involves making estimates, judgments and assumptions, and any changes in estimates, judgments and assumptions used could have a material adverse impact on the financial condition and operating results of New BBX Capital or its subsidiaries;
- the impact on New BBX Capital's consolidated financial statements and internal control over financial reporting of the adoption of new accounting standards;
- audits of New BBX Capital's or its subsidiaries' federal or state tax returns, including that they may result in the imposition of additional taxes;
- damage to the reputation of New BBX Capital or any of its subsidiaries could harm New BBX Capital's business, financial condition and results of operations;
- New BBX Capital's business is subject to various governmental regulations, laws and orders, compliance with which may cause New BBX Capital to incur significant expenses, and any noncompliance could subject New BBX Capital to civil or criminal penalties or other liabilities;
- the outcome of litigation, inquiries, investigations, examinations or other legal proceedings is inherently uncertain and could subject New BBX Capital to significant monetary damages or restrictions on New BBX Capital's ability to do business;
- environmental liabilities, including claims with respect to mold or hazardous or toxic substances, and their impact on New BBX Capital's financial condition and operating results;
- risks that natural disasters and other acts of god may adversely impact New BBX Capital's financial condition and operating results;
- any damage to physical assets or interruption of access to physical assets or operations resulting from public health issues, such as the recent coronavirus outbreak, or from hurricanes, earthquakes, fires, floods, windstorms or other natural disasters, which may increase in frequency or severity due to climate change or other factors;
- the risk that creditors of New BBX Capital's subsidiaries or other third-parties may seek to recover distributions or dividends, if any, made by such subsidiaries to New BBX Capital or other amounts owed by such subsidiaries to such creditors or third-parties; and
- if New BBX Capital issues additional shares of its Class A Common Stock, Class B Common Stock or other securities, including in connection with acquisitions, investments or financings or pursuant to equity compensation plans, New BBX Capital's shareholders would experience dilution and any preferred stock declared and issued could include dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of New BBX Capital's Class A Common Stock or Class B Common Stock or otherwise adversely affect the holders of New BBX Capital's Class A Common Stock or Class B Common Stock, including the likelihood that holders of New BBX Capital's Class A Common Stock or Class B Common Stock would receive dividend payments and payments on liquidation, or the amounts thereof.

In addition, with respect to BBX Capital Real Estate, the various factors include, but are not limited to:

- the impact of economic, competitive, and other factors affecting BBX Capital Real Estate and its assets, including the impact of a decline in real estate values on BBX Capital Real Estate's business and the value of BBX Capital Real Estate's assets;
- risks that the recent investment in The Altman Companies may not realize the anticipated benefits and will increase the Company's exposure to risks associated with the multifamily real estate development and construction industry;
- the risk of additional impairments of real estate assets;
- risks associated with investments in real estate developments and joint ventures include:
  - exposure to downturns in the real estate and housing markets;
  - exposure to risks associated with real estate development activities, including severe weather conditions increasing costs, delaying construction, causing uninsured losses or reducing demand for homes;
  - risks associated with obtaining necessary zoning and entitlements;
  - risks that joint venture partners may not fulfill their obligations and concentration risks associated with entering into numerous joint ventures with the same joint venture partner;
  - risks relating to reliance on third-party developers or joint venture partners to complete real estate projects;
  - risk associated with increasing interest rates, as the majority of the development costs and sales of residential communities is financed;
  - risks associated with not finding tenants for multifamily apartments or buyers for single-family homes and townhomes;
  - risk associated with finding equity partners, securing financing, and selling newly built multifamily apartments;
  - risk associated with rising land and construction costs;
  - risk that the projects will not be developed as anticipated or be profitable; and
  - risk associated with customers or vendors not performing on their contractual obligations.

With respect to BBX Sweet Holdings, Renin and other operating businesses, the various factors include, but are not limited to:

- risks that New BBX Capital's investments will not achieve the returns anticipated;
- risks that their business plans, including IT'SUGAR's opening of new stores in high profile locations, will not be successful;
- risks that market demand for their products could decline;
- risk of impairment losses associated with declines in the value of New BBX Capital's investments in operating businesses or New BBX Capital's inability to recover its investments;
- risks that the reorganization of certain confectionery businesses and operations may not achieve anticipated operating efficiencies and reduction in operating losses and that the implementation of strategic alternatives, including the sale or disposal of certain operations, will result in additional losses;
- failure of confectionery businesses to meet financial metrics may necessitate New BBX Capital making further capital contributions or advances to the businesses or a decision not to support underperforming businesses;

- risks associated with increased commodity costs or a limited availability of commodities;
- risks associated with product recalls or product liability claims;
- risk of losses associated with excess and obsolete inventory and the risks of additional required reserves for lower of cost or market value losses in inventory;
- for Renin, the risk of trade receivable losses and the risks of charge-offs and required increases in the allowance for bad debts;
- risks associated with the performance of vendors, commodity price volatility and the impact of tariffs on goods imported from Canada and Asia, particularly with respect to Renin;
- for Renin, risks associated with exposure to foreign currency exchange risk of the U.S. dollar compared to the Canadian dollar;
- the amount and terms of indebtedness associated with the operations and capital expenditures may impact their financial condition and results of operations and limit their activities;
- requirements for operating and capital expenditures may require New BBX Capital to make capital contributions or advances; and
- risk that a decline in IT'SUGAR's profitability or cash flows may result in impairment losses associated with IT'SUGAR's intangible and long-lived assets.

Risks and uncertainties related to the spin-off include, but are not limited to:

- the risk that some or all of the anticipated benefits related to the spin-off may not be achieved when or to the extent expected, or at all;
- the risk that New BBX Capital may need additional capital in the future; however, such capital may not be available to New BBX Capital on reasonable terms, if at all;
- New BBX Capital's historical and pro forma financial information is not necessarily representative of the results New BBX Capital would have achieved as a separate, publicly-traded company and may not be a reliable indicator of its future results;
- the spin-off could give rise to disputes or other unfavorable effects, which could have a material adverse effect on New BBX Capital's business, financial position and results of operations;
- under the Separation and Distribution Agreement, New BBX Capital and Parent may be required to indemnify each other for certain liabilities; however, there can be no assurance that any indemnities from Parent will be sufficient to insure New BBX Capital against the full amount of such liabilities or that Parent's ability to satisfy its indemnification obligations will not be impaired in the future, and any indemnification obligations New BBX Capital may have could materially adversely affect New BBX Capital's results and financial condition;
- no market for New BBX Capital's Class A Common Stock or Class B Common Stock currently exists and an active trading market may not develop or be sustained after the spin-off;
- the price of New BBX Capital's Class A Common Stock and Class B Common Stock, once publicly-traded, may be volatile, including until the public is able to fully analyze New BBX Capital's business, operations and results separate from Parent, and there is no assurance as to the price at which shares of New BBX Capital's Class A Common Stock or Class B Common Stock will trade following the spin-off or at any other time in the future;
- risks associated with New BBX Capital's indebtedness, including that New BBX Capital will be required to utilize cash flow to service its indebtedness, and that indebtedness may make New BBX Capital more vulnerable to economic downturns and subject New BBX Capital to covenants or restrictions on its operations and activities or on its ability to pay dividends, if any; and

- adverse conditions in the stock market, the public debt market and other capital markets or the economy generally, and the impact of such conditions on New BBX Capital's activities and results, and the price and liquidity of New BBX Capital's Class A Common Stock and Class B Common Stock.

In addition to the foregoing, reference is made to the other risks and uncertainties inherent to New BBX Capital's business and activities, including those discussed under "Risk Factors" and elsewhere in this information statement. These and other factors disclosed in this information statement are not necessarily all of the important factors that could cause New BBX Capital's actual results to differ materially from those expressed in or implied by any of the forward-looking statements. Other unknown or unpredictable factors could cause New BBX Capital's actual results to differ materially from those expressed in or implied by any of the forward-looking statements. Given these uncertainties, you are cautioned not to place undue reliance on forward-looking statements. These statements should be considered only after carefully reading this entire information statement and in conjunction with the other information contained herein.

The forward-looking statements contained in this information statement are made only as of the date of this information statement. Except to the extent required by law, we do not undertake, and specifically disclaim any obligation, to update any forward-looking statements or to publicly announce the results of any revisions to any of such statements, including to reflect future events or developments. In addition, past performance may not be indicative of future results, and comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and all such information should only be viewed as historical data.

You should read this information statement and the materials that we reference in this information statement and have filed with the SEC as exhibits to the registration statement on Form 10 of which this information statement is a part with the understanding that New BBX Capital's actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect. We qualify all forward-looking statements by these cautionary statements.

THE SPIN-OFF

Reasons for the Spin-off

Parent's Board of Directors has determined that the separation of New BBX Capital from Parent's investment in Bluegreen Vacations is in the best interests of Parent's shareholders. Parent's Board of Directors believes that the separation will, among other things:

- allow each company to adopt strategies and pursue objectives independent of the other company, which may better position each company to maximize value over the long-term;
- bring greater clarity to the marketplace as to each company's core competencies;
- better position each company to optimize capital deployment and investment strategies necessary to advance their respective interests, and provide management with incentives related directly to each company's performance and align their interests with the other shareholders of the company;
- provide current Parent shareholders with equity investments in two separate, publicly traded companies, including Parent, which following the spin-off will be a "pure play" Bluegreen Vacations holding company; and
- enable investors to better evaluate the financial performance, strategies, and other characteristics of each company, which will permit investors to make investment decisions based on each company's individual performance and potential, and enhance the likelihood that the market will value each company appropriately.

Mechanics of the Spin-off

Prior to the spin-off, New BBX Capital will be converted into a Florida corporation. In connection with the conversion, Parent, as the 100% owner of New BBX Capital at the time, will receive all of the issued and outstanding shares of New BBX Capital's Class A Common Stock and Class B Common Stock. The spin-off will be effected through the distribution by Parent to its shareholders of 100% of the shares of New BBX Capital's Class A Common Stock and Class B Common Stock held by Parent. Except for Woodbridge, the subsidiary through which Parent holds its investment in Bluegreen Vacations, New BBX Capital holds or will hold at the time of the spin-off all of Parent's subsidiaries. These include BBX Capital Real Estate, BBX Sweet Holdings and its subsidiaries, including IT'SUGAR, Hoffman's Chocolates and Las Olas Confections and Snacks, and Renin. As a shareholder of Parent, you will receive one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock held of record by you as of the 5:00 P.M., Eastern time, on   , 2020 (such time and date being referred to as the "record date" for the distribution), and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock held of record by you as of the record date. The spin-off will not impact your holdings of Parent's Class A Common Stock or Class B Common Stock and, accordingly, your proportionate interest in Parent will not change as a result of the spin-off. The distribution will be a taxable transaction to Parent's shareholders. See "Material U.S. Federal Income Tax Consequences of the Spin-Off" below.

Parent's Board of Directors has approved a one for five reverse split of the shares of Parent's Class A Common Stock and Class B Common Stock which is expected to be effected prior to the record date for the spin-off. Based on the number of shares of Parent's Class A Common Stock and Class B Common Stock expected to be outstanding as of the record date (after giving effect to the reverse stock split described above based on the expectation that it will be effected prior to the record date), we expect that approximately 15,621,249 shares of New BBX Capital's Class A Common Stock and 3,693,370 shares of New BBX Capital's Class B Common Stock will be distributed in the spin-off. However, the actual number of shares of New BBX Capital's Class A Common Stock and Class B Common Stock to be distributed in the spin-off will be determined based on the actual number of shares of Parent's Class A Common Stock and Class B Common Stock outstanding as of the record date. The shares of New BBX Capital's Class A Common Stock and Class B

Common Stock to be distributed in the spin-off will constitute all of the issued and outstanding shares of New BBX Capital's common stock immediately following the distribution. In addition, if New BBX Capital adopts a rights agreement prior to the spin-off, then each share of New BBX Capital's Class A Common Stock and Class B Common Stock distributed in connection with the spin-off will have attached thereto an associated preferred share purchase right distributed under the rights agreement. See "Description of Capital Stock" for additional information regarding the rights agreement expected to be adopted by New BBX Capital.

On or before the distribution date, Parent will release the shares of New BBX Capital's Class A Common Stock and Class B Common Stock to the distribution agent to distribute to Parent's shareholders. The shares will be distributed in book-entry form, which means that no physical share certificates will be issued. We expect that it may take the distribution agent up to one week following the distribution date to electronically issue shares of New BBX Capital's Class A Common Stock and/or Class B Common Stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form.

No Parent shareholder will be required to pay any consideration, exchange or surrender their existing shares of Parent's Class A Common Stock or Class B Common Stock or take any other action to receive their shares of New BBX Capital's Class A Common Stock or Class B Common Stock, as applicable. However, the distribution will be a taxable transaction to Parent's shareholders. In addition, in order to effect the spin-off in the contemplated manner and to approve its contemplated name change to Bluegreen Vacations Holding Corporation, Parent intends to hold a special meeting of its shareholders to approve the spin-off as contemplated and the proposed name change. Parent has distributed a separate proxy statement which contains information regarding the spin-off, the proposed name change, and the special meeting. Completion of the spin-off is conditioned upon the approval of the spin-off by Parent's shareholders.

Relationship Between New BBX Capital and Parent

The separation of businesses of New BBX Capital and Parent in connection with the spin-off and the relationship between New BBX Capital and Parent following the spin-off will be governed by a Separation and Distribution Agreement, an Employee Matters Agreement, a Transition Services Agreement, and a Tax Matters Agreement, each as entered into between New BBX Capital and Parent in connection with the spin-off. In addition, Parent will enter into a $75 million promissory note in favor of New BBX Capital in connection with the spin-off. These agreements are intended to facilitate the separation of businesses between Parent and New BBX Capital in connection with the spin-off and the operation of New BBX Capital and Parent as separate companies after the spin-off. The following is a summary of the Separation and Distribution Agreement, Employee Matters Agreement, Transition Services Agreement, Tax Matters Agreement and promissory note. The summaries are not complete and are qualified in their entirety by reference to the actual agreements or instruments, copies of which are filed as exhibits to the registration statement on Form 10 of which this information statement forms a part. We encourage you to read the full text of these agreements.

Separation and Distribution Agreement

The Separation and Distribution Agreement sets forth how the spin-off will be effected and certain other obligations of Parent and New BBX Capital prior to, upon and for a specified period following the completion of the spin-off. The Separation and Distribution Agreement provides that at the effective time of the spin-off, Parent will transfer to New BBX Capital the assets identified in the Separation and Distribution Agreement relating to the businesses and subsidiaries of New BBX Capital (to the extent not already owned by New BBX Capital) and contribute to New BBX Capital the cash and cash equivalents of Parent at the effective time of the spin-off other than the cash and cash equivalents of Bluegreen Vacations, any special cash dividend paid by Bluegreen Vacations prior to the spin-off as previously described, and $25 million to be retained by Parent. New BBX Capital will retain or assume the liabilities identified in the Separation and Distribution Agreement relating to the businesses and subsidiaries of New BBX Capital, including the approximately $41.9 million of indebtedness of or related to the subsidiaries transferred to it in connection with the spin-off. Parent, on the one hand, and New

BBX Capital, on the other hand, have agreed to deliver (or cause to be delivered) any necessary or appropriate documents to the other party to effect, or as reasonably necessary or appropriate in connection with, the spin-off.

The Separation and Distribution Agreement provides that Parent and New BBX Capital will use their respective reasonable best efforts to obtain promptly any required third-party consents or governmental approvals required in connection with the spin-off, provided that neither party will be required to make any payments or assume any liabilities or offer or grant any financial accommodation or other benefit with respect to any existing agreements with third parties not required to be paid under the terms of an existing agreement. The transfer of any specific asset to New BBX Capital, on the one hand, or Parent, on the other hand, in connection with the spin-off will be deferred until any required consents or governmental approvals for such transfer are obtained. Notwithstanding the inability to transfer an asset or liability as a result of a third-party consent or required governmental approval prior to the spin-off, subject to the satisfaction of the conditions to the completion of thespin-off, the spin-off will nevertheless take place if so determined by Parent's Board of Directors, and Parent and New BBX Capital, as applicable, will be required to hold the applicable asset or liability in trust and use reasonable best efforts to establish arrangements pursuant to which Parent or New BBX Capital, as applicable, will obtain all of the benefits and burdens associated with the asset or liability as if it had been transferred.

Termination of Prior Intercompany Arrangements

Except for the agreements entered into in connection with thespin-off, all previous agreements between New BBX Capital and Parent will be terminated upon the spin-off, and all parties to such agreements will be released from all liabilities thereunder other than liabilities for payment and/or reimbursement for costs and other fees and charges relating to services provided by Parent to New BBX Capital, or vice versa, prior to the spin-off in the ordinary course of business, which shall be settled at the effective time of the spin-off.

No Representations or Warranties

Under the Separation and Distribution Agreement, Parent does not make any representations or warranties to New BBX Capital, express or implied, as to the condition or the value of any asset or liability, the existence of any security interest on any asset, the absence of defenses from counterclaims, or any implied warranties of merchantability or fitness for a particular purpose or title. Under the Separation and Distribution Agreement, New BBX Capital will take the assets and liabilities transferred to it ''as is, where is,'' and bear the economic and legal risks relating to conveyance of, title to and transfer of those assets and liabilities.

Actions Before the Spin-Off

New BBX Capital and Parent will cooperate to prepare all documents and make all filings required for thespin-off. Parent will direct and control the efforts of the parties in connection with the spin-off. New BBX Capital will use reasonable best efforts to take all actions reasonably requested by Parent to facilitate the spin-off, including, among other things, cooperating in the preparation and filing of the registration statement on Form 10 of which this information statement forms a part and any other filing required to be made with the SEC or any other governmental authority and, as previously described, using reasonable best efforts to obtain promptly any required third-party consents or governmental approvals required in connection with the spin-off.

Conditions to the Spin-Off

We expect to consummate the spin-off on the distribution date, provided that the following conditions shall have been satisfied or, to the extent permissible, waived:

- the Board of Directors of Parent, in its sole and absolute discretion, shall have authorized and approved thespin-off (and such authorization and approval shall not have been withdrawn);
- the shareholders of Parent approving the spin-off in the manner contemplated;

- New BBX Capital's registration statement on Form 10 of which this information statement is a part shall have been declared effective by the SEC and shall not be the subject of any stop order or proceedings seeking a stop order, and this information statement shall have been sent to Parent's shareholders as of the record date, all necessary permits and authorizations under the Securities Act and the Exchange Act relating to the issuance and trading of shares of New BBX Capital's Class A Common Stock and Class B Common Stock shall have been obtained and be in effect, and such shares shall have been approved for listing, trading or quotation on a national securities exchange or the OTC Markets; and
- no court or other governmental authority having jurisdiction over Parent or New BBX Capital shall have issued or entered any order, and no applicable law shall have been enacted or promulgated, in each case, that is then in effect and has the effect of permanently restraining, enjoining or otherwise prohibiting the consummation of the spin-off.

We are not aware of any material regulatory requirements that must be complied with or any material regulatory or third party approvals that must be obtained, other than compliance with SEC rules and regulations, including the SEC's declaration of effectiveness of New BBX Capital's registration statement on Form 10, and the approval for listing, trading or quotation of New BBX Capital's Class A Common Stock and Class B Common Stock on a national securities exchange or the OTC Markets.

Mutual Releases and Indemnification

Parent and New BBX Capital (on behalf of themselves and their respective affiliates) will release each other, each other's respective subsidiaries and specified related parties from any and all liabilities arising out of or related to any events occurring (or failing to occur) or conditions existing (or alleged to have exist), arising at or before the effective time of the spin-off, whether such events, circumstances or actions are known or unknown as of the effective time of the spin-off, and will not bring, or permit to be brought, any legal proceeding against the other party or its released parties with respect to any released claim. The Separation and Distribution Agreement provides that this mutual release will not impair each party's right to enforce the agreements entered into between Parent and New BBX Capital in connection with the spin-off and certain other rights, including, among other things, any right to indemnification or advancement of expenses under the organizational documents of any party or pursuant to directors and officers insurance, accrued and unpaid compensation or expense reimbursement of any employee, terms of existing employment agreements or arrangements, or any rights of a shareholder of Parent in its capacity as such.

Further, under the Separation and Distribution Agreement, New BBX Capital will indemnify Parent and its affiliates and their respective officers, directors, employees and agents for any liabilities resulting from, relating to or arising out of New BBX Capital's business, including any of its subsidiaries or any assets or liabilities held by it or transferred to or assumed by New BBX Capital in connection with the spin-off, any breach by New BBX Capital of any agreement or obligation under any agreement entered into between Parent and New BBX Capital in connection with the spin-off, and the enforcement of any such right to indemnification. Parent will indemnify New BBX Capital and its affiliates and their respective officers, directors, employees and agents for any and all liabilities resulting from, relating to or arising out of any business, asset or liability not held by, transferred to, or assumed by, New BBX Capital in connection with the spin-off, any breach by Parent of any agreement or obligation under any agreement entered into between Parent and New BBX Capital in connection with the spin-off, and the enforcement of any such right to indemnification. The Separation and Distribution Agreement addresses other matters associated with the indemnification granted by each party under the agreement, including adjustments to indemnification payments for insurance proceeds, the procedure to defend third-party claims and the right to contribution by the indemnified party in the event the indemnification provided under the Separation and Distribution Agreement is not legally available.

Additional Covenants

The Separation and Distribution Agreement also addresses additional obligations of Parent and New BBX Capital, including those relating to, among others, omitted services, release of guarantees or indemnity, access to and exchange of information, record retention, provision of financial information, ownership of information, cooperation in the conduct of certain claims, the privileged nature of information, insurance, waivers of conflicts of interest for counsel, confidentiality of information and non-solicitation, and directors' and officers' exculpation, indemnification and insurance.

Tax Matters Agreement

The Tax Matters Agreement generally sets out the respective rights, responsibilities and obligations of Parent and New BBX Capital with respect to taxes (including taxes arising in the ordinary course of business and taxes incurred as a result of the spin-off), tax attributes, tax returns, tax contests and certain other related tax matters.

The Tax Matters Agreement allocates responsibility for the preparation and filing of certain tax returns (and the payment of taxes reflected thereon). Under the Tax Matters Agreement, Parent will generally be liable for its own taxes and taxes of all of its subsidiaries (other than the taxes of New BBX Capital and its subsidiaries, the taxes for which New BBX Capital shall be liable) for all tax periods (or portion thereof) ending on the effective date of the spin-off. New BBX Capital will be responsible for its taxes, including for taxes of its subsidiaries, as well as for taxes of Parent arising as a result of the spin-off (including any taxes resulting from an election under Section 336(e) of the Internal Revenue Code of 1986, as amended (the "Code") in connection with the spin-off). New BBX Capital will bear liability for any transfer taxes incurred in thespin-off.

Each of Parent and New BBX Capital will indemnify each other against any taxes to the extent paid by one party but allocated to the other party under the Tax Matters Agreement, or arising from any breach of its covenants thereunder, and related out-of-pocket costs and expenses.

Employee Matters Agreement

The Employee Matters Agreement sets out the respective rights, responsibilities and obligations of Parent and New BBX Capital with respect to the transfer of certain employees of the businesses of New BBX Capital and related matters, including benefit plans, terms of employment, retirement plans and other employment-related matters.

Under the Employee Matters Agreement, New BBX Capital will generally assume or retain responsibility as employer of employees whose duties primarily relate to the businesses of its subsidiaries as well as all obligations and liabilities with respect thereto.

Upon the spin-off, New BBX Capital employees, in their capacities as such, will cease to participate in any Parent employee benefit plans, and will instead be entitled to participate in employee benefit plans established or maintained by New BBX Capital. New BBX Capital employees will be entitled to credit for prior service to the extent afforded under any Parent plans for purposes of eligibility to participate and vesting, except to the extent such credit would result in the duplication of benefits for the same period of service.

New BBX Capital will establish or designate welfare benefit plans and administer a group welfare benefits plan, in which New BBX Capital employees will participate immediately following the spin-off. New BBX Capital will use reasonable best efforts to ensure that such employees will be immediately eligible to commence participation in such plans without regard to any eligibility period, pre-existing condition, waiting period, or certain other restrictions.

Transition Services Agreement

The Transition Services Agreement generally sets out the respective rights, responsibilities and obligations of Parent and New BBX Capital with respect to the support services to be provided to one another after the spin-off, as may be necessary to ensure the orderly transition under the Separation and Distribution Agreement.

The Transition Services Agreement establishes a baseline charge for certain categories or components of services to be provided. Any services provided beyond the services covered will be billed at a negotiated rate, which will not be less favorable than the rate Parent or New BBX Capital would have received for such service from a third party. Under the Transition Services Agreement, Parent and New BBX Capital agree to promptly take all steps to internalize the services being provided by utilizing their own staff or outsourcing such services to third parties The Transition Services Agreement will be effective upon the spin-off and will continue for a minimum term of one year, provided that after that year, Parent or New BBX Capital may terminate the Transition Services Agreement with respect to any or all services provided thereunder at any time upon thirty (30) days prior written notice to the other party. Either party may renew or extend the term of the Transition Services Agreement with respect to the provision of any service which has not been previously terminated.

Promissory Note

In connection with the spin-off, Parent will, in addition to its cash contribution to New BBX Capital, enter into a $75 million promissory note in favor of New BBX Capital. Amounts outstanding under the note will accrue interest at a rate of 6% per annum. The note will require payments of interest only on a quarterly basis. It is also anticipated that payments may be deferred at the option of Parent, with amounts deferred to accrue interest at a cumulative, compounded rate of 8% per annum. All outstanding amounts under the note will become due and payable in five years or upon certain events.

Principal Executive Office

Following the spin-off, Parent and New BBX Capital will share office space at their principal executive offices located in Fort Lauderdale, Florida. The space is currently leased by Parent. It is expected that the lease will be assigned to New BBX Capital, with a portion of the office space to be subleased to Parent at a rate of approximately $200,000 per year, or New BBX Capital will pay or reimburse Parent for payments under the lease other than annual rent of $200,000 per year to be borne by Parent.

Treatment of Restricted Stock Awards

Holders of unvested restricted stock awards of Parent's Class A Common Stock or Class B Common Stock that are outstanding on the distribution date will retain such restricted stock awards and receive one restricted share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock subject to such restricted stock awards held on the record date and one restricted share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock subject to such restricted stock awards held on the record date. The restricted shares of New BBX Capital's Class A Common Stock and Class B Common Stock will be subject to the same terms and conditions, including, without limitation, vesting conditions, as contained in the Parent restricted stock award agreement relating to the shares of Parent's Class A Common Stock or Class B Common Stock in respect of which the restricted shares of New BBX Capital were received. As of June 17, 2020, a total of 1,016,981 shares of Parent's Class A Common Stock and Class B Common Stock are subject to outstanding restricted stock awards, all of which are held by Parent's executive officers or by Parent on behalf of the executive officers until vesting.

Trading of New BBX Capital's Common Stock

Parent will own all of the outstanding shares of New BBX Capital's common stock prior to the spin-off. Accordingly, there is no current trading market for New BBX Capital's common stock. It is expected that New BBX Capital will file a Form 211 with FINRA and apply to have its Class A Common Stock and Class B Common Stock authorized for quotation on the OTCQB and/or OTCQX markets. However, there are no assurances that an active public market for New BBX Capital's Class A Common Stock or Class B Common Stock will develop or be sustained after the distribution. If an active public market does not develop or is not sustained, it may be difficult for New BBX Capital's shareholders to sell their shares of New BBX Capital's Class A Common Stock or Class B Common Stock at a price that is attractive to them, or at all. It is expected that New BBX Capital will request the trading symbol "   " for its Class A Common Stock and "   " for its Class B Common Stock. Currently, there is no trading market for New BBX Capital's common stock.

If New BBX Capital's application for quotation of its Class A Common Stock and Class B Common Stock on the OTC Markets is approved, it is anticipated that trading will commence on a "when-issued" basis approximately two trading days before the record date. "When-issued" trading refers to a transaction made conditionally because the security has been authorized but not yet issued. Generally, shares may trade on the OTC Markets on a "when-issued" basis after they have been authorized but not yet formally issued, which is often initiated by the OTC Markets prior to the record date relating to the issuance of such shares. Any "when-issued" transactions in New BBX Capital's common stock will be settled after the shares of New BBX Capital's common stock have been issued to Parent's shareholders. It is expected that "when-issued" trading in New BBX Capital's Class A Common Stock and Class B Common Stock will end and "regular way" trading will begin on the first trading day following the distribution date. "Regular way" trading refers to trading after a security has been issued.

We cannot predict the trading prices for New BBX Capital's common stock when trading begins. Those prices will be determined by the marketplace. Prices at which trading in New BBX Capital's common stock occurs may fluctuate significantly. Trading prices for New BBX Capital's common stock may be influenced by many factors, including New BBX Capital's operating results, investor perception of New BBX Capital, market fluctuations and general economic conditions. In addition, the stock market in general has experienced extreme price and volume fluctuations that have affected the performance of many stocks and that have often been unrelated or disproportionate to a company's operating performance. These are just some of the factors that may adversely affect the market price of New BBX Capital's common stock. See "Risk Factors" for further discussion of risks which may impact New BBX Capital and the trading price of its common stock.

Shares of New BBX Capital's common stock received by Parent shareholders in connection with thespin-off will be freely transferable, except for shares received by persons who may be deemed to be New BBX Capital's affiliates under the Securities Act. Shareholders of Parent that receive shares of New BBX Capital's common stock in the spin-off and are deemed affiliates of New BBX Capital will be permitted to sell their shares of New BBX Capital's common stock only pursuant to an effective registration statement under the Securities Act or in accordance with Rule 144 of the Securities Act or another exemption from the registration requirements of the Securities Act.

Trading of Parent's Common Stock Between the Record Date and the Distribution Date

Parent's Class A Common Stock is listed on the NYSE. It is anticipated that, beginning on the record date and continuing until the time of the distribution, there will be two markets in shares of Parent's Class A Common Stock on the NYSE: a "regular-way" market and an "ex-distribution" market. Shares of Parent's Class A Common Stock that trade on the "regular-way" market will trade with an entitlement to the shares of New BBX Capital's Class A Common Stock to be distributed in the spin-off in respect thereof. Shares of Parent's Class A Common Stock that trade on the "ex-distribution" market will trade without an entitlement to shares of New BBX Capital's Class A Common Stock. Therefore, if a shareholder sells shares of Parent's Class A Common Stock in the "regular-way" market on or prior to the time of the distribution, such shareholder will also be selling the right to receive the shares of New BBX Capital's Class A Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class A Common Stock being sold. If a shareholder owns shares of Parent's Class A Common Stock on the record date and sells those shares on the "ex-distribution" market on or prior to the time of the distribution, such shareholder will continue to be entitled to receive the shares of New BBX Capital's Class A Common Stock which are distributed in the spin-off in respect of the shares of Parent's Class A Common Stock being sold.

Parent's Class B Common Stock is quoted on the OTCQX market. While there is no assurance as to the ex-distribution date that FINRA will ultimately set with respect to New BBX Capital's Class B Common Stock, it is anticipated that, pursuant to Rule 11140 promulgated by FINRA, FINRA will set an "ex-distribution date" for New BBX Capital's Class B Common Stock as the first business day following the distribution date. Assuming that FINRA sets an ex-distribution date for New BBX Capital's Class B Common Stock as the first business day following the distribution date, then shareholders who hold shares of Parent's Class B Common Stock on the record date and sell the shares on or prior to the distribution date will also be selling the right to receive the shares of New BBX Capital's Class B Common Stock that such shareholder would have otherwise received in the spin-off in respect of the shares of Parent's Class B Common Stock being sold.

Material U.S. Federal Income Tax Consequences of the Spin-Off

The following is a summary of the material U.S. federal income tax consequences of the spin-off to "U.S. holders" and "Non-U.S. holders" (in each case, as defined below). It addresses U.S. holders or Non-U.S. holders that will receive New BBX Capital's common stock in the distribution. This summary deals only with U.S. holders or Non-U.S. holders that use the U.S. dollar as their functional currency and hold their Parent common stock as a capital asset. This summary does not address tax considerations applicable to investors subject to special rules, such as persons owning (either actually or constructively) 10% or more of Parent or New BBX Capital's stock, certain financial institutions, dealers or traders, insurance companies, tax exempt entities, persons holding their shares as part of a hedge, straddle, conversion, constructive sale or other integrated transaction. It also does not address any U.S. state and local tax or non-U.S. tax considerations.

As used here, "U.S. holder" means a beneficial owner of Parent or New BBX Capital's common stock (as applicable) that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income tax without regard to its source. For purposes of this discussion, a "Non-U.S. holder" is a beneficial owner of Parent or New BBX Capital's common stock (as applicable) that is, for U.S. federal income tax purposes, an individual, a corporation, a trust or an estate that is not a U.S. holder.

The tax consequences to a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) receiving New BBX Capital common stock in the spin-off generally will depend on the status of the partnership and the activities of its partners. Partnerships holding Parent common stock should consult their own tax advisors about the U.S. federal income tax consequences to their partners from receiving New BBX Capital common stock in the spin-off.

Tax Classification of the Spin-off in General

The spin-off will not qualify for tax-free treatment under Section 355 of the Code and, accordingly, shareholders of Parent will be treated as having received a distribution of property that does not qualify for tax-free treatment in connection with their receipt of shares of New BBX Capital's common stock in connection with the spin-off. The amount of that distribution will be equal to the fair market value of the New BBX Capital common stock received. We believe that a reasonable approach to determine the fair market value of the shares of New BBX Capital's Class A Common Stock or Class B Common Stock received would be to use the volume-weighted average price of New BBX Capital's common stock on the first full trading day following the distribution. We believe this is a reasonable approach because the rights of New BBX Capital's Class A Common Stock and Class B Common Stock (other than voting rights, as described above) are substantially the same and New BBX Capital's Class B Common Stock will be convertible into shares of New BBX Capital's Class A Common Stock on a share-for-share basis in the holder's discretion, however there is expected to be significantly less trading volume in the shares of New BBX Capital's Class B Common Stock as compared to New BBX Capital's Class A Common Stock.

To the extent, if any, that New BBX Capital's market value at the time of the distribution is greater than Parent's tax basis in New BBX Capital, New BBX Capital will indemnify Parent for tax on gain taken into account as a result of the distribution of New BBX Capital's common stock, determined as if no net operating losses or other tax attributes were available to shelter that gain and computed at an assumed tax rate of 25%. If Parent recognizes gain on the distribution, so that New BBX Capital has an indemnity obligation, Parent and New BBX Capital expect to make an election for U.S. federal income tax purposes that would enable New BBX Capital to increase the basis of its assets to New BBX Capital's market value at the time of the distribution, thereby increasing the amount of amortization or depreciation deductions allowable to New BBX Capital after the distribution of New BBX Capital's common stock. To the extent, however, that New BBX Capital's market value at the time of the distribution is less than Parent's tax basis in New BBX Capital, Parent will not recognize any loss, but Parent and New BBX Capital expect to make an election that is intended to prevent a reduction to fair market value of New BBX Capital's tax basis in its assets (or in the assets of partnerships in which it holds an interest) in order to preserve New BBX Capital's ability to claim the amortization or depreciation deductions that would have been available if the separation had not occurred. There can be no assurance, however, that such a basis reduction will not be required.

U.S. Holders

The distribution of New BBX Capital common stock should be treated as ordinary dividend income to the extent considered paid out of Parent's current year or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of both current year and accumulated earnings and profits will be treated as a non-taxable return of capital, which reduces basis, to the extent of the holder's basis in Parent's common stock and thereafter as capital gain. To the extent that any such amount is treated as a dividend, corporate U.S. holders should generally be eligible for the dividends received deduction and non-corporate U.S. holders should generally qualify for reduced rates applicable to qualified dividend income, assuming, in each case, that a minimum holding period and certain other generally applicable requirements are satisfied. U.S. holders will take a tax basis in their New BBX Capital common stock equal to its fair market value on the date of receipt.

Parent will not be able to determine the amount of the distribution (if any) that will be treated as a dividend until after the close of the taxable year of the spin-off, because its current year earnings and profits will be calculated based on its income for the entire taxable year in which the distribution occurs. In addition to Parent's operating results for that year, which will not include the earnings and expenses of the business conducted by New BBX Capital after the separation, other factors that are not knowable at this time will affect Parent's earnings and profits for the taxable year of the spin-off. Those factors include the extent, if any, to which the value of New BBX Capital at the time of the spin-off exceeds Parent's tax basis in New BBX Capital, resulting in recognition of a gain that will increase Parent's earnings and profits. Parent currently intends to cause shareholders to be provided with a determination of the portion of the distribution constituting a taxable dividend as soon as practicable after its earnings and profits for the taxable year in which the distribution occurs are calculated. This information may not be available until after U.S. holders file their income tax returns for that taxable year, and such U.S. holders may need to file amended tax returns to reflect the amount of the taxable dividend as finally determined.

To the extent that the distribution of New BBX Capital common stock constitutes an "extraordinary dividend" with respect to a particular U.S. holder, special rules may apply. In general, a dividend constitutes an "extraordinary dividend" if the amount of the dividend exceeds 10% of that U.S. holder's tax basis in its stock. For purposes of this calculation, only the portion of a distribution treated as a dividend, rather than the full amount of the distribution, is taken into account. If the portion (if any) of the distribution treated as a dividend constitutes an extraordinary dividend to a corporate U.S. holder that both (i) claimed a dividends-received deduction with respect to the distribution and (ii) held its Parent common stock for two years or less, such U.S. holder will reduce its tax basis in its Parent common stock (but not below zero) by an amount determined by reference to the dividends-received deduction claimed. If any corporate U.S. holder's basis would be reduced below zero as a result of these rules, any excess would be treated as capital gain. In addition, if the portion (if any) of the distribution treated as a dividend qualifies as an extraordinary dividend to a non-corporate U.S. holder who had claimed a reduced rate for qualified dividend income on the distribution, such non-corporate U.S. holder may be required to treat a portion of any loss on a subsequent sale of its Parent common stock as long-term capital loss, regardless of its actual holding period.

U.S. holders should consult with their tax advisors regarding the possible applicability and effects of the extraordinary dividend provisions, including the possible availability of an election to substitute the fair market value of the Parent common stock for its tax basis for purposes of determining if the portion (if any) of the distribution treated as a dividend constitutes an extraordinary dividend. Such election will generally be available if the fair market value of the Parent common stock as of the day before the ex-dividend date is established to the satisfaction of the Secretary of the Treasury.

Dividends and capital gains earned by non-corporate U.S. holders may be subject to the 3.8% Medicare tax on net investment income.

Non-U.S. Holders

For Non-U.S. holders, the characterization of the distribution for U.S. federal income tax purposes as a dividend, a return of capital or a capital gain will be determined in the manner described above under "U.S. holders."

In the case of a Non-U.S. holder, the portion (if any) of the distribution treated as a dividend for U.S. federal income tax purposes will generally be subject to U.S. federal gross-basis income tax at a rate of 30%, or a lower rate specified in an applicable income tax treaty. This tax is generally collected by way of withholding. Because the amount of the distribution (if any) constituting a dividend for U.S. federal income tax purposes will not be known at the time of the distribution, for purposes of determining required withholding, Parent or its withholding agent is generally required by U.S. Internal Revenue Service ("IRS") regulations to treat the entire amount of the distribution as a dividend, and withhold tax from that amount, unless it elects instead to withhold based on a reasonable estimate of Parent's earnings and profits. Thus, Parent or another withholding agent will withhold some portion of the New BBX Capital common stock otherwise distributable to a Non-U.S. holder to satisfy its obligation to withhold tax, except to the extent it estimates that the amount of the distribution will exceed its earnings and profits. To the extent it is required to withhold tax, Parent or its withholding agent may sell the portion of New BBX Capital common stock otherwise distributable to Non-U.S. holders needed to pay that tax, together with associated expenses. Non-U.S. holders would generally be eligible to obtain a refund of any excess amounts withheld (which would be the entire amount withheld to pay tax if Parent determines, after the end of the taxable year of the spin-off that it had no earnings and profits) by filing an appropriate claim for refund with the IRS. To receive the benefit of a reduced treaty rate, a Non-U.S. holder must furnish to Parent or its paying agent a valid IRS Form W-8BEN, W-8BEN-E or other applicable form certifying such holder's qualification for the reduced rate. This certification must be provided to Parent or its paying agent prior to the distribution of New BBX Capital common stock.

Dividends that are treated as "effectively connected" with a U.S. trade or business conducted by a Non-U.S. holder (and, if an applicable income tax treaty so provides, are also attributable to a U.S. permanent establishment of such Non-U.S. holder) are not subject to the withholding tax, provided the Non-U.S. holder satisfies certain certification and disclosure requirements. Instead, such dividends, net of specified deductions and credits, are taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons. Any such effectively connected dividends received by a Non-U.S. holder that is a corporation may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as specified by an applicable income tax treaty.

In addition, any capital gains recognized (including capital gains arising from the amount of the distribution exceeding current and accumulated earnings and profits as well as basis in such Non-U.S. holder's Parent common stock) may be subject to U.S. net income tax (and in respect of corporate non-U.S. holders, branch profits tax) if the gain is effectively connected with a trade or business of the Non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base of the Non-U.S. holder within the United States). Additionally, a Non-U.S. holder that is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and meets certain other requirements will be subject to a flat 30% tax on the amount of capital gains together with certain other U.S. source capital gains realized during such year, to the extent that they exceed certain U.S. source capital losses realized during such year.

Tax Considerations to U.S. Holders in Respect of Ownership and Disposition of New BBX Capital Common Stock

Dividends

Any dividends paid by New BBX Capital out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally will be taxable to a U.S. holder as ordinary dividend income. Corporate U.S. holders should generally be eligible for the dividends-received deduction and non-corporate U.S. holders should generally qualify for reduced rates applicable to qualified dividend income, assuming, in each case, that a minimum holding period and certain other generally applicable requirements are satisfied. Dividends in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. holder's basis in New BBX Capital's common stock and thereafter as capital gain. U.S. holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any dividend received from New BBX Capital. Dividends received by a non-corporate U.S. holder may be subject to a 3.8% Medicare tax on net investment income.

Sales or Other Dispositions of New BBX Capital Common Stock

A U.S. holder will recognize capital gain or loss on the sale or other disposition of New BBX Capital common stock in an amount equal to the difference between the U.S. holder's adjusted tax basis in its New BBX Capital common stock and the amount realized from the disposition. Any gain or loss on a sale or other disposition of New BBX Capital common stock generally will be treated as arising from U.S. sources and will be long-term capital gain or loss if the holder has held our common stock for more than one year. Deductions for capital losses are subject to limitations. Any gain recognized by a non-corporate U.S. holder may be subject to a 3.8% Medicare tax on net investment income.

Tax Considerations to Non-U.S. Holders in Respect of Ownership and Disposition of New BBX Capital Common Stock

Dividends

Any dividends paid on New BBX Capital common stock that are characterized as dividends paid to a Non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be provided by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a Non-U.S. holder must furnish to New BBX Capital or its paying agent a valid IRS Form W-8 (or applicable successor form) certifying such holder's qualification for the reduced rate. This certification must be provided to New BBX Capital or its paying agent prior to the payment of dividends and must be updated periodically. If a Non-U.S. holder who qualifies for a reduced treaty rate but does not timely provide New BBX Capital or the payment agent with the required certification, such Non-U.S. holder may be entitled to a credit against their U.S. federal income tax liability or a refund of the tax withheld, which the Non-U.S. holder may claim by filing the appropriate claim for refund with the IRS.

Dividends that are treated as "effectively connected" with a trade or business conducted by a Non-U.S. holder within the United States (and, if an applicable income tax treaty so provides, are also attributable to a U.S.

permanent establishment of such Non-U.S. holder) are not subject to the withholding tax, provided the Non-U.S. holder satisfies certain certification and disclosure requirements. Instead, such dividends, net of specified deductions and credits, are taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons. To the extent a dividend is effectively connected with a U.S. trade or business, non-corporate Non-U.S. holders may be eligible for taxation at reduced U.S. federal tax rates applicable to qualified dividend income. Any such effectively connected dividends received by a Non-U.S. holder that is a corporation may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or such lower rate as specified by an applicable income tax treaty.

Sales or Other Dispositions of New BBX Capital Common Stock

Subject to the discussions under “Information Reporting and Backup Withholding” and “FATCA,” below, a Non-U.S. holder will generally not be subject to any U.S. federal income tax or withholding tax on any gain realized upon such holder’s sale or other disposition of New BBX Capital common stock. Gain on sale of New BBX Capital common stock may be subject to U.S. net income tax (and in respect of corporate non-U.S. holders, branch profits tax) if the gain is effectively connected with a trade or business of the Non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base of the Non-U.S. holder within the United States). Additionally, a Non-U.S. holder that is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and meets certain other requirements will be subject to a flat 30% tax on the amount of gain derived from the sale that, together with certain other U.S. source capital gains realized during such year, to the extent that they exceed certain U.S. source capital losses realized during such year.

FATCA

Sections 1471-1474 of the Code (commonly known as “FATCA”) impose a 30% withholding tax on certain types of payments (including dividends by Parent and New BBX Capital) made to “foreign financial institutions” and certain other non-U.S. entities unless (i) the foreign financial institution undertakes certain diligence and reporting obligations or (ii) the foreign non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. If any payee, whether or not it is a beneficial owner or an intermediary with respect to a payment, is a foreign financial institution that is not subject to special treatment under certain intergovernmental agreements, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertakes to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent them from complying with these reporting or other requirements. Withholding under this legislation on withholdable payments to foreign financial institutions and certain non-financial foreign entities also apply with respect to the gross proceeds of a disposition of New BBX Capital common stock (which will include sales, redemptions and returns on capital). Failure by a Non-U.S. holder (or any non-U.S. intermediary through which it will hold its stock) that is subject to FATCA to comply with its certification and reporting requirements, or properly document its status as a person not subject to FATCA withholding, could result in withholding at a rate of 30% on withholdable payments made to the Non-U.S. holder. Non-U.S. holders or U.S. holders owning Parent or New BBX Capital common stock through a non-U.S. intermediary should consult their tax advisors regarding this legislation.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to dividends, sales proceeds or other amounts paid to U.S. holders and Non-U.S. holders, unless an exemption applies. Backup withholding tax may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. A U.S. holder or Non-U.S. holder can claim a credit against its U.S. federal income tax liability for the amount of any backup withholding tax and a refund of any excess, provided that all required information is timely provided to the IRS.

U.S. holders and Non-U.S. holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR SHAREHOLDER. EACH SHAREHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF THE SPIN-OFF IN LIGHT OF THE SHARHOLDER'S OWN CIRCUMSTANCES.

Holders

Currently, New BBX Capital is a wholly-owned subsidiary of Parent and as such it only has one shareholder, Parent. Upon completion of the spin-off, it is anticipated that New BBX Capital will have [   ] record holders of 15,621,249 outstanding shares of New BBX Capital's Class A Common Stock and [   ] record holders of 3,693,370 outstanding shares of New BBX Capital's Class B Common Stock. The outstanding share amounts set forth above is based on the number of shares of Parent's Class A Common Stock and Class B Common Stock expected to be outstanding on the record date and assumes that the contemplated one-for-five reverse split of Parent's Class A Common Stock and Class B Common Stock approved by Parent's Board of Directors is effected prior to the record date.

Reason for Furnishing this Information Statement

We are furnishing this information statement to you, as a shareholder of Parent entitled to receive shares of New BBX Capital's common stock in the spin-off, for the sole purpose of providing you with information about the spin-off and New BBX Capital. This information statement is not, and you should not consider it, an inducement or encouragement to buy, hold or sell any securities of Parent or New BBX Capital. We believe that the information in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither Parent nor New BBX Capital undertakes any obligation to update the information except as may be required by law.

DIVIDEND POLICY

Following the spin-off, dividends by New BBX Capital will be at the discretion of New BBX Capital's Board of Directors based on New BBX Capital's financial condition, results of operations and capital requirements, and considerations that New BBX Capital's Board of Directors considers relevant. In addition, the terms of agreements governing New BBX Capital's indebtedness, whether existing at the time of the spin-off or subsequently entered into, may limit or prohibit dividend payments. It is currently expected that, for the foreseeable future following the spin-off, New BBX Capital will retain any earnings for use in the operation of its business. Accordingly, New BBX Capital does not anticipate paying any cash dividends on its common stock for the foreseeable future.

CAPITALIZATION

The following table presents our cash and cash equivalents and capitalization as of March 31, 2020 on a historical basis and on a pro forma basis to give effect to the spin-off and the related transactions and events described in this information statement as if thespin-off and such related transactions and events had occurred on March 31, 2020. We are providing the following capitalization table for informational purposes only. You should not construe it as indicative of our capitalization or financial condition had the spin-off and the related transactions and events been completed on the date assumed. The capitalization table below also may not reflect the capitalization or financial condition that would have resulted had New BBX Capital been operated as a separate company apart from Parent's organization at that date or New BBX Capital's future capitalization or financial condition. You should read the table below in conjunction with the financial and other information included in the sections of this information statement entitled "Unaudited Pro Forma Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with New BBX Capital's historical financial statements and accompanying notes included elsewhere in this information statement.

(dollars in thousands)	March 31, 2020	
	Actual (unaudited)	**Pro Forma (unaudited)**
Cash		
Cash and cash equivalents	$ 17,642	130,478
Capitalization:		
Debt Outstanding		
Notes payable and lines of credit	41,904	41,904
Redeemable noncontrolling interest	1,863	1,863
Equity		
Preferred stock of $0.01 par value: authorized 10,000,000 shares Class A Common Stock of $0.01 par value; authorized 30,000,000 shares: none issued and outstanding, 15,132,730 pro forma	—	151
Class B Common Stock of $0.01 par value; authorized 4,000,000 shares: none issued and outstanding, 3,164,908 pro forma	—	32
Additional paid-in-capital	—	348,308(A)
Parent's equity	160,655	—
Accumulated other comprehensive income	967	967
Parent's net investment/total stockholders' equity	161,622	349,458
Noncontrolling interests	288	288
Total Equity	161,910	349,746
Total Capitalization	$ 205,677	393,513

(A) In connection with the spin-off, Parent will enter into a $75 million promissory note in favor of New BBX Capital and contribute cash to New BBX Capital in an amount equal to the amount of Parent's cash and cash equivalents immediately prior to the contribution, other than the cash and cash equivalents of Bluegreen Vacations, any special cash dividend paid by Bluegreen Vacations prior to the spin-off (as previously described), and $25 million which will be retained by Parent to fund, among other expenses, employee compensation and benefits and the obligations related to Woodbridge's TruPS and the promissory note to New BBX Capital. For purposes of the table above, such contribution is assumed to be $112.8 million based on cash and cash equivalent balances at March 31, 2020; however, the actual amount of the cash contribution will be based on Parent's cash and cash equivalent balance at the time of the spin-off.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table presents selected historical financial data for the periods indicated below. New BBX Capital derived the selected historical statement of operations data for the three months ended March 31, 2020 and 2019 and the balance sheet data as of March 31, 2020 from its unaudited combined carve-out financial statements included elsewhere in this information statement. New BBX Capital derived the selected historical statement of financial condition data as of December 31, 2017 from its unaudited statement of financial condition that is not included in this information statement. New BBX Capital derived the selected historical financial data as of December 31, 2019 and 2018, and for each of the years in the three-year period ended December 31, 2019, from its audited combined carve-out financial statements included elsewhere in this information statement. In management's opinion, the unaudited combined carve-out financial statements have been prepared on the same basis as the audited combined carve-out financial statements and include all adjustments, consisting only of normal recurring adjustments and allocations, necessary for a fair presentation of the information for the periods presented.

The historical statements of operations reflect allocations of general corporate expenses from Parent, including, but not limited to, executive management, finance, legal, information technology, human resources, employee benefits administration, treasury, risk management and other shared services. These expenses have been allocated to New BBX Capital on the basis of direct usage when identifiable, while the remainder of the expenses, including costs related to executive compensation, were allocated primarily on a pro-rata basis of combined revenues and equity in earnings of unconsolidated joint ventures of New BBX Capital and its subsidiaries. Management considers these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, New BBX Capital. The allocations may not, however, reflect the expenses New BBX Capital would have incurred as a stand-alone public company for the periods presented. Actual costs that may have been incurred if New BBX Capital had been a stand-alone public company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure. The financial statements included in this information statement may not necessarily reflect New BBX Capital's financial position, results of operations and cash flows as if New BBX Capital had operated as a stand-alone public company during all periods presented. Accordingly, New BBX Capital's historical results may not be a reliable indicator of its future performance or financial condition. In addition, the financial data as of and for the three months ended March 31, 2020 and 2019 are not necessarily indicative of the results that may be obtained for the full year or any other future period.

In presenting the financial data in conformity with GAAP, New BBX Capital is required to make estimates and assumptions that affect the amounts reported. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" included elsewhere in this information statement for a detailed discussion of the accounting policies that management believes require subjective and complex judgments that could potentially affect reported results.

You should read the selected historical financial data in conjunction with New BBX Capital's audited combined carve-out financial statements and unaudited combined carve-out financial statements included elsewhere in this information statement and the financial and other information contained in the sections of this information statement entitled "Unaudited Pro Forma Financial Statements," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	For the Three Months Ended March 31,		For the Years Ended December 31,		
	2020	2019	2019	2018	2017
	(unaudited)		(in thousands)		
Statement of Operations Data:					
Total revenues	$ 48,181	50,979	203,724	208,565	152,036
Total cost and expenses	79,655	56,554	213,227	226,126	178,068
Equity in earnings (loss) of unconsolidated real estate joint ventures	551	(17)	37,898	14,194	12,541
Other income	36	376	665	277	220
Foreign exchange gain (loss)	278	5	(75)	68	(193)
(Loss) income before income taxes	(30,609)	(5,211)	28,985	(3,022)	(13,464)
Benefit (provision) for income taxes (1)	5,908	1,460	(8,334)	(2,865)	(1,306)
Net (loss) income from continuing operations	(24,701)	(3,751)	20,651	(5,887)	(14,770)
Discontinued operations	(678)	(1,269)	(7,138)	(3,580)	(1,339)
Net (loss) income	(25,379)	(5,020)	13,513	(9,467)	(16,109)
Less: Net loss attributable to noncontrolling interests	3,456	40	224	266	20
Net (loss) income attributable to Parent	$ (21,923)	(4,980)	13,737	(9,201)	(16,089)

	As of March 31,	As of December 31,		
	2020	2019	2018	2017
	(unaudited)	(in thousands)		
Statements of Financial Condition Data:				
Total assets (2)	$ 332,852	361,507	309,952	315,170
Borrowings (3)	41,904	42,736	37,496	43,920
Parent's equity	160,655	179,681	235,415	237,259
Accumulated other comprehensive income	967	1,554	1,216	1,785
Noncontrolling interests	288	1,001	899	(238)
Total equity (2)	161,910	182,236	237,530	238,806

(1) The provision for income taxes for the year ended December 31, 2017 was the result of the reduction in New BBX Capital's net deferred income tax asset associated with the enactment of the Tax Cuts and Jobs Act which permanently lowered the corporate income tax rate from 35% to 21%. The provision for income taxes for the year ended December 31, 2018 was the result of nondeductible executive compensation.

(2) Total assets as of March 31, 2020 and December 31, 2019 includes $80.2 million and $87.1 million of operating lease assets, while total assets in the prior periods presented do not include operating lease assets. Total equity as of December 31, 2019 includes a cumulative effect adjustment of $2.2 million, net of income taxes, associated with a right-of-use asset impairment loss recognized upon the adoption of the new lease accounting standard on January 1, 2019. Based on the transition guidance elected by New BBX Capital upon the adoption of the new lease accounting standard, comparable prior periods are reported in accordance with Topic 840, which did not require the recognition of right-of-use assets and lease liabilities related to operating leases. See Note 2—Summary of Significant Accounting Policies to New BBX Capital's audited combined carve-out financial statements included elsewhere in this information statement.

(3) Borrowings consist of community development bonds, revolving credit facilities and term loans.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The unaudited pro forma combined financial statements set forth below have been derived from New BBX Capital's historical annual and interim financial statements, including its unaudited statement of financial condition as of March 31, 2020, its unaudited statement of operations for the three months ended March 31, 2020 and its audited statements of operations for the year ended December 31, 2019, which are included elsewhere in this information statement. New BBX Capital's historical financial statements include allocations of certain expenses from Parent, including expenses for costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, shared information technology systems, corporate governance activities, executive services and centrally managed employee benefit arrangements.

The unaudited pro forma combined financial statements give effect to the following transaction accounting adjustments:

- a cash contribution by Parent to New BBX Capital in the amount of $112.8 million based on March 31, 2020 cash and cash equivalent balances;
- the $75 million promissory note expected to be made by Parent in favor of New BBX Capital in connection with the spin-off; and
- New BBX Capital's anticipated post-distribution capital structure, including the issuance of approximately 15,132,730 shares of New BBX Capital's Class A Common Stock to holders of Parent's Class A Common Stock and approximately 3,164,908 shares of New BBX Capital's Class B Common Stock to holders of Parent's Class B Common Stock (in each case, based upon the number of outstanding shares of Parent's Class A Common Stock or Class B Common Stock, as applicable, on March 31, 2020, the one-for-five reverse split of Parent's Class A Common Stock and Class B Common Stock approved by Parent's Board of Directors and expected to be effected prior to completion of the spin-off, and a distribution ratio of one share of New BBX Capital's Class A Common Stock for each share of Parent's Class A Common Stock and one share of New BBX Capital's Class B Common Stock for each share of Parent's Class B Common Stock).

The unaudited pro forma statements of operations for the three months ended March 31, 2020 and the year ended December 31, 2019 give effect to the spin-off and the related transactions described above as if they had occurred on January 1, 2019. The unaudited pro forma balance sheet as of March 31, 2020 gives effect to the spin-off and the related transactions described above as if they had occurred on such date.

In management's opinion, the unaudited pro forma combined financial statements reflect adjustments necessary to present fairly New BBX Capital's pro forma results and financial position as of and for the periods indicated. The pro forma adjustments are based on currently available information and assumptions management believes are, under the circumstances and given the information available at this time, reasonable, directly attributable to New BBX Capital's separation from Parent and reflect incremental expenses or other changes necessary to reflect New BBX Capital's financial condition and results of operations as if New BBX Capital was a stand-alone entity.

The unaudited pro forma combined financial statements are for illustrative and informational purposes only and are not intended to represent what New BBX Capital's results of operations or financial position would have been had the spin-off and related transactions occurred on the dates assumed. The unaudited pro forma combined financial statements also should not be considered indicative of New BBX Capital's future results of operations or financial position as a separate, publicly-traded company.

Parent currently provides many corporate functions on New BBX Capital's behalf, including those described above, and New BBX Capital's historical financial statements include allocations of these expenses from Parent. We believe that these allocations are representative of costs that New BBX Capital would have incurred as a separate stand-alone publicly-traded company. However, future costs that New BBX Capital may incur as a stand-alone publicly-traded company are uncertain and may be higher or lower than the historical allocations in the unaudited pro forma combined financial statements.

We believe that the revenues and expenses in the pro forma statement of operations for the three months ended March 31, 2020 and the year ended December 31, 2019 are revenues and expense that are likely to reoccur in the next twelve months.

Costs related to the spin-off prior to its completion have been and will be borne by Parent. Accordingly, these costs were not allocated to New BBX Capital or otherwise reflected in New BBX Capital's financial statements, including New BBX Capital's historical and pro forma statements of operations contained herein.

The unaudited pro forma combined financial statements should be read in conjunction with New BBX Capital's historical financial statements and accompanying notes included elsewhere in this information statement and the financial and other information contained in the section of this information statement entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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NEW BBX CAPITAL
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In thousands, except per share data)

	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Revenues:						
Trade sales	$ 40,886	—		—		40,886
Sales of real estate inventory	6,439	—		—		6,439
Interest income	116	1,125	(B)	—		1,241
Net losses on sales of real estate assets	(47)	—		—		(47)
Other revenue	787	—		—		787
Total revenues	48,181	1,125		—		49,306
Costs and Expenses:						
Cost of trade sales	29,780	—		—		29,780
Cost of real estate inventory sold	4,631	—		—		4,631
Interest expense	—	—		—		—
Recoveries from loan losses, net	(3,512)	—		—		(3,512)
Impairment losses	27,435	—		—		27,435
Selling, general and administrative expenses	21,321	—		—		21,321
Total costs and expenses	79,655	—		—		79,655
Operating profits (losses)	(31,474)	1,125		—		(30,349)
Equity in net earnings of unconsolidated real estate joint ventures	551	—		—		551
Other income	36	—		—		36
Foreign exchange gain	278	—		—		278
Loss from continuing operations before income taxes	(30,609)	1,125		—		(29,484)
Benefit (provision) for income taxes	5,908	(217)	(C)	—		5,691
Loss from continuing operations	(24,701)	908		—		(23,793)
Less: net loss attributable to noncontrolling interests	3,456	—		—		3,456
Loss from continuing operations attributable to parent/shareholders	$(21,245)	908		—		(20,337)
Earnings per common share						
Basic					(D)	(1.11)
Diluted					(E)	(1.11)
Weighted-average common shares outstanding						
Basic					(F)	18,298
Diluted					(F)	18,298

See accompanying notes to unaudited pro forma combined financial statements

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NEW BBX CAPITAL
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In thousands, except per share data)

	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Revenues:						
Trade sales	$180,319	—		—		180,319
Sales of real estate inventory	5,049	—		—		5,049
Interest income	811	4,500	(B)	—		5,311
Net gains on sales of real estate assets	13,616	—		—		13,616
Other revenue	3,929	—		—		3,929
Total revenues	203,724	4,500		—		208,224
Costs and Expenses:						
Cost of trade sales	125,735	—		—		125,735
Cost of real estate inventory sold	2,643	—		—		2,643
Interest expense	433	—		—		433
Recoveries from loan losses, net	(5,428)	—		—		(5,428)
Impairment losses	189	—		—		189
Selling, general and administrative expenses	89,655	—		—		89,655
Total costs and expenses	213,227	—		—		213,227
Operating profits (losses)	(9,503)	4,500		—		(5,003)
Equity in net earnings of unconsolidated real estate joint ventures	37,898	—		—		37,898
Other income	665	—		—		665
Foreign exchange loss	(75)	—		—		(75)
Income from continuing operations before income taxes	28,985	4,500		—		33,485
(Provision) for income taxes	(8,334)	(1,104)	(C)	—		(9,438)
Income from continuing operations	20,651	3,396		—		24,047
Less: net loss attributable to noncontrolling interests	224	—		—		224
Income from continuing operations attributable to parent/shareholders	$ 20,875	3,396		—		24,271
Earnings per common share						
Basic					(D)	1.31
Diluted					(E)	1.30
Weighted-average common shares outstanding						
Basic					(F)	18,526
Diluted					(F)	18,731

See accompanying notes to unaudited pro forma combined financial statements

NEW BBX CAPITAL
UNAUDITED PRO FORMA STATEMENT OF FINANCIAL CONDITION
AS OF MARCH 31, 2020
(In thousands)

	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments	Pro Forma
ASSETS					
Cash and cash equivalents	$ 17,642	112,836	(A)	—	130,478
Restricted cash	529	—		—	529
Trade accounts receivable, net	14,838	—		—	14,838
Trade inventory	22,531	—		—	22,531
Real estate	63,098	—		—	63,098
Investments in unconsolidated real estate joint ventures	59,373	—		—	59,373
Property and equipment, net	30,769	—		—	30,769
Goodwill	14,864	—		—	14,864
Intangible assets, net	6,532	—		—	6,532
Operating lease assets	80,189	—		—	80,189
Note receivable from parent	—	75,000	(A)	—	75,000
Due from Parent	730	—		—	730
Other assets	14,918	—		—	14,918
Deferred tax asset, net	6,747	—		—	6,747
Discontinued operations total assets	92	—		—	92
Total assets	$332,852	187,836		—	520,688
LIABILITIES AND EQUITY					
Liabilities:					
Accounts payable	13,382	—		—	13,382
Accrued expenses	9,953	—		—	9,953
Other liabilities	6,750	—		—	6,750
Operating lease liability	96,059	—		—	96,059
Notes payable and lines-of-credit	41,904	—		—	41,904
Discontinued operations total liabilities	1,031	—		—	1,031
Total liabilities	169,079	—		—	169,079
Redeemable noncontrolling interest	1,863	—		—	1,863
Equity:					
Parent’s equity	160,655	187,836	(A)	—	348,491
Accumulated other comprehensive income	967	—		—	967
Noncontrolling interests	288	—		—	288
Total equity	161,910	187,836		—	349,746
Total liabilities and equity	$332,852	187,836		—	520,688

See accompanying notes to unaudited pro forma combined financial statements

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(A) Pursuant to the Separation and Distribution Agreement between Parent and New BBX Capital, Parent will enter into a $75 million promissory note in favor of New BBX Capital and contribute $112.8 million in cash to New BBX Capital based on cash and cash equivalent balances at March 31, 2020; however, the actual amount of the cash contribution will be based on Parent's cash and cash equivalent balance at the time of the spin-off.

(B) Adjustment represents interest income from the Parent's $75 million promissory note that bears interest at 6.0% per annum.

(C) Represents the provision for income taxes based on the estimated effective income tax rate of 19.3% for the three months ended March 31, 2020 and 24.5% for the year ended December 31, 2019.

(D) Pro forma basic earnings (loss) per share was calculated based on income (loss) from continuing operations attributable to shareholders divided by the weighted average basic common shares outstanding for the period.

(E) Pro forma diluted earnings (loss) per share was calculated based on income (loss) from continuing operations attributable to shareholders divided by the diluted weighted average diluted common shares outstanding for the period.

(F) Pro forma weighted average basic and diluted common shares outstanding for the three months ended March 31, 2020 and the year ended December 31, 2019 reflect the Parent's historical basic and diluted weighted average shares outstanding for the period adjusted for a 5 for 1 reverse stock split.

BUSINESS

You should read the following business description in conjunction with New BBX Capital's audited and unaudited combinedcarve-out financial statements and related notes appearing elsewhere in this information statement.

Company Overview

New BBX Capital is a Florida-based diversified holdings company. Prior to the spin-off, New BBX Capital will be converted into a Florida corporation. New BBX Capital's principal holdings include (i) BBX Capital Real Estate, which is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, owns a 50% equity interest in The Altman Companies, a developer and manager of multifamily apartment communities, and manages the legacy assets retained in connection with Parent's sale of BankAtlantic in 2012, including a portfolio of loans receivable, real estate properties and judgments, (ii) BBX Sweet Holdings, which is engaged in the ownership and management of companies in the confectionery industry, including IT'SUGAR, a retailer of special candy products, including bulk candy, candy in giant packaging and novelty items, and (iii) Renin, which is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products.

The Company's goal is to build long-term shareholder value. Since many of the Company's assets do not generate income on a regular or predictable basis, the Company's objective continues to be long-term growth as measured by increases in book value and intrinsic value over time. In addition, the Company's goal is to streamline its investment verticals so that the Company can be more easily analyzed and followed by the marketplace.

The Company regularly reviews the performance of its investments and, based upon economic, market, and other relevant factors, considers transactions involving the sale or disposition of all or a portion of its assets, investments, or subsidiaries.

Our Businesses

BBX Capital Real Estate

Business Overview

BBX Capital Real Estate is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, including investments in multifamily apartment and townhome communities, single-family master-planned communities, and commercial properties located primarily in Florida. In addition, it owns a 50% equity interest in The Altman Companies, a developer and manager of multifamily apartment communities, and manages the legacy assets acquired in connection with Parent's sale of BankAtlantic in 2012, including a portfolio of loans receivable, real estate properties and judgments.

Strategy

BBX Capital Real Estate's strategy is focused on:

- identifying and acquiring or developing real estate, including multifamily apartment and townhome communities, single-family master-planned communities, and commercial properties; and
- identifying and investing in opportunistic real estate joint ventures with third party developers.

Although BBX Capital Real Estate has historically focused on the monetization of the legacy asset portfolio through the collection or sale of loans receivable and the development or sale of foreclosed real estate properties, it largely completed the monetization of the portfolio following the sale of several significant real estate properties during 2019. As a result, BBX Capital Real Estate is currently focused on leveraging The Altman

Companies, as well as BBX Capital Real Estate's relationships with third party developers, to source investments in new development opportunities with the goal of building a diversified portfolio of real estate investments that generate profits. In addition to the development and sale of multifamily apartment communities, these investment opportunities may also include the development of multifamily apartment communities that will be owned over a long-term hold period and the acquisition of existing multifamily apartment communities which can be renovated and re-leased pursuant to a "value add" strategy, as well as the pursuit of investment opportunities in additional geographic locations. Furthermore, while BBX Capital Real Estate's investments in multifamily apartment communities sponsored by The Altman Companies primarily involve investing in the managing member in the joint ventures that are formed to invest in such projects, BBX Capital Real Estate may also consider opportunistically making increased debt or equity investments in one or more of such projects in lieu of seeking such funding from unaffiliated third parties.

Investment Portfolio

BBX Capital Real Estate has invested in a diverse portfolio of real estate developments, including multifamily apartment communities, single-family master-planned communities, retail and mixed-used properties, operating properties, and other legacy assets. The following is a description of BBX Capital Real Estate's current principal investments and certain material investments that were recently monetized during the year ended December 31, 2019.

Multifamily Apartment Developments—The Altman Companies

The Altman Companies

In November 2018, BBX Capital Real Estate acquired a 50% equity interest in The Altman Companies, a joint venture between BBX Capital Real Estate and JA engaged in the development, construction, and management of multifamily apartment communities, for cash consideration of $14.6 million, including $2.3 million in transaction costs. The Company accounts for this investment under the equity method of accounting.

The Altman Companies is a fully integrated platform engaged in all aspects of the development process through its ownership of various operating companies that were previously owned and operated by JA. These companies and their predecessors have operated since 1968 and have developed and managed more than 25,000 multifamily units throughout the United States, including communities in Florida, Michigan, Illinois, Tennessee, Georgia, Texas, and North Carolina. The Altman Companies currently operates through the following companies:

- Altman Development Company ("ADC")—The Altman Companies owns 100% of ADC, which performs site selection and other predevelopment activities (including project underwriting and design), identifies development financing (which is typically comprised of a combination of internal and external equity and institutional debt), provides oversight of the construction process, and arranges for the ultimate sale of the projects upon stabilization. ADC enters into a development agreement with each joint venture that is formed to invest in development projects originated by the platform and earns a development fee for its services.
- Altman Management Company ("AMC")—The Altman Companies owns 100% of AMC, which performs leasing and property management services for the multifamily apartment communities developed by the Altman Companies prior to the ultimate sale of such projects. In certain cases, AMC also provides such services to apartment communities owned by third parties and certain affiliated entities. AMC enters into a leasing and property management agreement with each joint venture that is formed to invest in projects originated by the platform and earns a management fee for its services.
- Altman-Glenewenkel Construction ("AGC")—The Altman Companies owns 60% of AGC, which performs general contractor services for the multifamily apartment communities developed by the

Altman Companies. AGC enters into a general contractor agreement with each joint venture that is formed to invest in projects originated by the platform and earns a general contractor fee for its services.

In addition to the fees earned by these companies, BBX Capital Real Estate and JA invest in the managing member of the joint ventures that are formed to invest in projects originated by the platform based on their relative ownership percentages in The Altman Companies. Such equity interests are typically entitled to a promoted equity interest in the projects to the extent that the external equity investors in such ventures receive agreed-upon returns on their investments.

The Altman Companies has historically incurred operating costs in excess of the fees earned from the projects, and as a result, earnings generated by the platform generally arise as a result of the ability to invest as the managing member and receive promoted equity interests in the projects.

Pursuant to the operating agreement of The Altman Companies, BBX Capital Real Estate will acquire an additional 40% equity interest in The Altman Companies from JA for a purchase price of $9.4 million in January 2023, and JA can also, at his option or in other predefined circumstances, require New BBX Capital to purchase his remaining 10% equity interest in The Altman Companies for $2.4 million. However, JA will retain his membership interests, including his decision making rights, in the managing member of any development joint ventures that are originated prior to New BBX Capital's acquisition of additional equity interests in The Altman Companies. In addition, in certain circumstances, BBX Capital Real Estate may acquire the 40% membership interests in AGC that are not owned by The Altman Companies for a purchase price based on prescribed formulas in the operating agreement of AGC.

In connection with its investment in the Altman Companies, BBX Capital Real Estate acquired interests in the managing member of seven multifamily apartment developments, including four developments in which BBX Capital Real Estate had previously invested as a non-managing member, for aggregate cash consideration of $8.8 million.

In addition, as of March 31, 2020, BBX Capital Real Estate and JA have each contributed $3.75 million to ABBX Guaranty, LLC, a joint venture established to provide guarantees on the indebtedness and construction cost overruns of new real estate joint ventures formed by The Altman Companies.

The following provides a description of BBX Capital Real Estate's various investments in multifamily apartment communities, many of which are investments in joint ventures with JA that were originated prior to BBX Capital Real Estate's investment in The Altman Companies.

Altis at Lakeline

In December 2014, BBX Capital Real Estate invested $5.0 million as one of a number of investors in a joint venture with JA to develop Altis at Lakeline, a 354 unit multifamily apartment community in Cedar Park, Texas. In November 2018, BBX Capital Real Estate also acquired approximately 50% of JA's membership interest in the joint venture for $0.5 million. Construction commenced in 2015 and was completed during 2017. During the year ended December 31, 2019, the joint venture sold the project, and BBX Capital Real Estate recognized $5.0 million of equity earnings and received $9.3 million of distributions from the venture.

Altis at Bonterra

In December 2015, BBX Capital Real Estate invested in a joint venture with JA to develop Altis at Bonterra, a 314 unit multifamily apartment community in Hialeah, Florida. At the inception of the venture, BBX Capital Real Estate transferred land with an agreed upon value of $9.4 million and cash of $7.5 million to the joint venture in return for its membership interest. In November 2018, BBX Capital Real Estate also acquired approximately 50% of JA's membership interest in the joint venture for $1.4 million. Construction commenced in 2016 and was completed during 2017. During the year ended December 31, 2019, the joint venture sold the project, and BBX Capital Real Estate recognized $29.2 million of equity earnings and received approximately $46.0 million of distributions from the venture. Prior to the sale, BBX Capital Real Estate received approximately $4.3 million of distributions from the venture during the year ended December 31, 2019 related to the operating profits of the joint venture.

Altis at Shingle Creek

In April 2016, BBX Capital Real Estate invested $0.3 million as one of a number of investors in a joint venture with JA to develop Altis at Shingle Creek, a 356 unit multifamily apartment community in Orlando, Florida. During the year ended December 31, 2018, the joint venture sold the project, and BBX Capital Real Estate recognized $3.4 million of equity earnings and received $3.7 million of distributions from the venture.

Altis at Grand Central

In September 2017, BBX Capital Real Estate invested $1.9 million as one of a number of investors in a joint venture with JA to develop Altis at Grand Central, a 314 unit multifamily apartment community in Tampa, Florida. In November 2018, BBX Capital Real Estate also acquired approximately 50% of JA's membership interest in the joint venture for $0.6 million. Construction commenced in 2017 and is expected to be substantially completed during 2020.

Altis at Promenade

In December 2017, BBX Capital Real Estate invested $1.0 million as one of a number of investors in a joint venture with JA to develop Altis at Promenade, a 338 unit multifamily apartment community in Tampa, Florida. In November 2018, BBX Capital Real Estate also acquired approximately 50% of JA's membership interest in the joint venture for $1.2 million. Construction commenced in 2018 and was substantially completed during 2019. The 338 apartment units were approximately 40% leased as of December 31, 2019.

Altis at Ludlam

During 2018, BBX Capital Real Estate invested $0.7 million with JA and another investor in a joint venture to acquire land, obtain entitlements, and fund predevelopment costs for a potential multifamily apartment development in Miami, Florida. During 2019, BBX Capital Real Estate invested an additional $0.4 million in the joint venture to fund predevelopment costs. The joint venture expects to receive entitlements, close on permanent development financing, and commence construction during the second quarter of 2020.

Altis at Preserve (Suncoast)

During 2018, BBX Capital Real Estate invested $1.9 million with JA in a joint venture to acquire land, obtain entitlements, and fund predevelopment costs for the development of Altis at Preserve (Suncoast), a 350 unit multifamily apartment community in Tampa, Florida. In 2019, the joint venture closed on its development financing and commenced construction, which is expected to be substantially completed in 2020. In connection with the closing, BBX Capital Real Estate and JA retained membership interests in the managing member of the joint venture and received distributions of a portion of their previous capital contributions based on the final development financing structure.

Altis at Pembroke Gardens

In November 2018, BBX Capital Real Estate acquired approximately 50% of JA's membership interest in a joint venture invested in Altis at Pembroke Gardens for $1.3 million. Altis at Pembroke Gardens is a 280 unit multifamily apartment community in Pembroke Pines, Florida. Construction of the community was completed during 2017, and the 280 apartment units were approximately 95% leased as of December 31, 2019. The joint venture intends to seek to sell the project in 2021.

Altis at Boca Raton

In November 2018, BBX Capital Real Estate acquired approximately 50% of JA's membership interest in a joint venture invested in Altis at Boca Raton for $1.9 million. Altis at Boca Raton is a 398 unit multifamily apartment community in Boca Raton, Florida. Construction of the community was completed during 2017, and the 398 apartment units were approximately 96% leased as of December 31, 2019. The joint venture intends to seek to sell the project in 2021.

Altis at Wiregrass

In November 2018, BBX Capital Real Estate acquired approximately 50% of JA's membership interest in a joint venture invested in Altis at Wiregrass for $1.9 million. Altis at Wiregrass is a 392 unit multifamily apartment community in Tampa, Florida. Construction of the community was completed during 2018, and the 392 apartment units were approximately 91% leased as of December 31, 2019. The joint venture sold the project in 2020.

Altis at Little Havana

In June 2019, BBX Capital Real Estate invested $0.8 million in a joint venture sponsored by The Altman Companies to develop Altis at Little Havana, a 224 unit multifamily apartment community in Miami, Florida. Construction commenced in 2019 and is expected to be substantially completed in 2021.

Altis at Lake Willis (Vineland Point)

In August 2019, BBX Capital Real Estate invested $4.5 million in a joint venture sponsored by The Altman Companies to acquire land, obtain entitlements, and fund predevelopment costs for the development of a potential multifamily apartment community in Orlando, Florida. The joint venture expects to receive entitlements for the project, close on the capital to construct the project, and commence construction in 2021.

Altis at Miramar East/West

In October 2019, BBX Capital Real Estate invested $2.5 million in a joint venture sponsored by The Altman Companies to develop Altis Miramar West, a 320 unit multifamily apartment community, and Altis Miramar East, a 330 unit multifamily apartment community, on two adjacent sites in Miramar, Florida. Construction commenced in 2019 and is expected to be substantially completed in 2021.

Rights to Joint Venture Distributions

The operating agreements governing the joint ventures generally provide that the holders of thenon-managing membership interests are entitled to distributions based on their pro-rata share of the capital contributions to the ventures until such members receive their aggregate capital contributions plus a specified return on their capital. After such members receive their contributed capital and the specified returns, distributions are based on an agreed-upon allocation of the remaining cash flows available for distribution, with the holders of the managing membership interests receiving an increasing percentage of the distributions. As BBX Capital Real Estate's investments in the above joint ventures include investments as both a non-managing member and a managing member, New BBX Capital's economic interest in the expected distributions from such ventures in many cases is not the same as its pro-rata share of its contributed capital in such ventures.

Single Family Developments

Beacon Lake Master Planned Development

BBX Capital Real Estate has obtained entitlements to develop raw land in St. Johns County, Florida into 1,476 finished lots which will comprise the Beacon Lake Community. As part of the development, BBX Capital Real Estate is developing the land and common areas and selling the finished lots to third-party homebuilders who will construct single-family homes and townhomes that are planned to range from 1,800 square feet to 4,000 square feet and priced from the high $200,000's to the $500,000's.

In 2017, BBX Capital Real Estate commenced land development and entered into purchase agreements with homebuilders for the 302 finished lots comprising Phase I of the project. During the years ended December 31, 2019 and 2018, BBX Capital Real Estate closed on the sale of all of the finished lots comprising Phase I to homebuilders (51 in 2019 and 251 in 2018) and recognized pre-tax profits of $10.1 million in connection with such sales ($2.4 million in 2019 and $7.7 million in 2018).

BBX Capital Real Estate has commenced land development on the lots comprising Phase II of the project, which is expected to include approximately 400 single-family homes and 196 townhomes, and an additional 79 lots for single-family homes as part of Phase III of the project. BBX Capital Real Estate has entered into purchase agreements with homebuilders to sell developed lots for 422 single-family homes and all of the 196 townhomes, and closings on the sale of developed lots in Phase II to homebuilders commenced in January 2020.

BBX Capital Real Estate has financed a portion of the development costs for the project through the issuance of Community Development District Bonds. Under the terms of the purchase agreements with the homebuilders, in connection with the sale of the finished lots, BBX Capital Real Estate is required to repay a portion of the bonds with proceeds from such sales, while a portion of the bonds are required to be assumed by the homebuilders.

Chapel Grove

In October 2017, BBX Capital Real Estate invested $4.9 million as one of a number of investors in a joint venture with Label & Co. to develop Chapel Grove, a residential community comprised of 125 townhomes in Pembroke Pines, Florida. BBX Capital Real Estate is entitled to receive 46.75% of the joint venture distributions until it receives its aggregate capital contributions plus a specified return on its capital. After all investors receive a specified return and the return of their contributed capital, any distributions thereafter are shared based on earnings, with the managing member receiving an increasing percentage of distributions. During the year ended December 31, 2019, the joint venture closed on 114 townhomes, and BBX Capital Real Estate recognized $3.0 million of equity earnings and received $6.4 million of distributions from the venture. As of December 31, 2019, the joint venture had executed contracts to sell the remaining eleven townhomes.

Sky Cove

In June 2019, BBX Capital Real Estate invested $4.2 million as one of a number of investors in a joint venture with Label & Co. to develop Sky Cove at Westlake, a residential community comprised of 204 single family homes in Loxahatchee, Florida. BBX Capital Real Estate is entitled to receive 26.25% of the joint venture distributions until it receives its aggregate capital contributions plus a specified return on its capital. After all investors receive a specified return and the return of their contributed capital, any distributions thereafter are shared based on earnings, with Label & Co., as the managing member, receiving an increasing percentage of distributions. The project commenced construction in 2019, and home closings commenced in 2020.

Marbella

As of December 31, 2019, BBX Capital Real Estate had invested $6.0 million in a joint venture with CC Homes to develop Marbella, a residential community comprised of 158 single family homes in Miramar, Florida, and expects to invest an additional $2.5 million in the venture in 2020. BBX Capital Real Estate is entitled to receive 70.00% of the joint venture distributions until it receives its aggregate capital contributions plus a specified return on its capital. After all investors receive a specified return and the return of their contributed capital, any distributions thereafter are shared based on earnings, with CC Homes, as the managing member, receiving an increasing percentage of distributions. The joint venture acquired the development land in 2019 and commenced site development in 2020.

Retail and Mixed Use Developments

PGA Pod B

In 2013, BBX Capital Real Estate purchased for $6.1 million PGA Design Center, a commercial property located in PGA Station in Palm Beach Gardens, Florida, with three existing buildings comprised of approximately 145,000 square feet of furniture space. Subsequent to the acquisition of the property, BBX Capital Real Estate invested in a joint venture with Stiles Development to redevelop the property. At the inception of the venture, BBX Capital Real Estate contributed the property (excluding certain residential development entitlements) to the joint venture in exchange for cash of $2.9 million and a 40% interest in the venture. BBX Capital Real Estate transferred the retained residential development entitlements to PGA Pods A&C, which are adjacent parcels owned by BBX Capital Real Estate (see below for further discussion regarding these parcels).

During the year ended December 31, 2016, governmental approvals were obtained to change the use of a portion of the property from retail to office. During the year ended December 31, 2018, the joint venture closed on the sale of one of the buildings, and BBX Capital Real Estate recognized $1.5 million of equity earnings from the venture. During the year ended December 31, 2019, the joint venture closed on the sale of the remaining two buildings and provided seller financing to the buyer for a portion of the sales price. As a result of the sale, BBX Capital Real Estate recognized $2.8 million of equity earnings and received $2.3 million of distributions from the venture.

PGA Pods A&C

In 2014, BBX Capital Real Estate acquired land located in PGA Station in Palm Beach Gardens, Florida through foreclosure on a loan receivable in the legacy asset portfolio. BBX Capital Real Estate subsequently obtained governmental approvals to construct a 122 room limited-service suite hotel, a medical office building, and three 60,000 square foot office buildings on the land and commenced land development with the intent of selling the developed land to third party developers.

During the year ended December 31, 2017, BBX Capital Real Estate closed on the sale of the land on which the hotel and medical office buildings were approved to be constructed to third party developers. During the year ended December 31, 2019, BBX Capital Real Estate closed on the sale of the remaining parcels, which were sold to the buyer of the commercial buildings sold by the PGA Design Center joint venture, as described above. BBX Capital Real Estate reinvested $2.1 million of the proceeds in the PGA Lender joint venture, a joint venture formed with the PGA Design Center joint venture to invest in the seller financing provided to the buyer by the PGA Design Center joint venture.

Bayview

In 2014, BBX Capital Real Estate invested in a joint venture with an affiliate of Procacci Development Corporation (“PDC”). At the inception of the venture, BBX Capital Real Estate and PDC each contributed $1.8 million to the venture in exchange for a 50% interest. The joint venture acquired for $8.0 million approximately three acres of real estate in Fort Lauderdale, Florida. There is currently an approximate 84,000 square foot office building, along with a convenience store and gas station, on the property. The office building has low occupancy with short term leases, while the lease for the convenience store ends in March 2022. BBX Capital Real Estate anticipates that the property will be redeveloped into a mixed-use project in the future.

L03/212 Partners

In 2019, BBX Capital Real Estate invested $2.0 million as one of a number of investors in The Main Las Olas joint venture, which was formed to invest in the development of The Main Las Olas, a mixed-used project in downtown Fort Lauderdale, Florida that is planned to be comprised of an office tower with approximately 365,000 square feet of leasable area, a residential tower with approximately 341 units, and approximately 45,000 square feet of ground floor retail. As of December 31, 2019, BBX Capital Real Estate expects to invest an additional $2.0 million in the venture as development progresses. The project is currently under construction and is anticipated to be substantially completed during the fourth quarter of 2020. Parent has executed an agreement with the joint venture to lease space in the office tower for its corporate headquarters.

Operating Properties

RoboVault

In 2013, Parent acquired RoboVault, a 155,000 square foot self-storage facility in Fort Lauderdale, Florida, through foreclosure on a loan receivable in the legacy asset portfolio. During the year ended December 31, 2019, BBX Capital Real Estate sold the facility for net proceeds of $11.7 million and recognized a gain on the sale of real estate of $4.8 million.

Legacy Assets

In addition to the above projects, BBX Capital Real Estate holds various legacy assets acquired in connection with Parent's sale of BankAtlantic in 2012, including loans receivable and real estate with an aggregate carrying amount of approximately $22.3 million as of December 31, 2019. The majority of the legacy assets do not generate cash flows on a regular or predictable basis and are not expected to do so until the assets are monetized through loan repayments or transactions involving the sale, joint venture, or development of the underlying real estate.

In recent years, BBX Capital Real Estate has generated substantial profits from the legacy asset portfolio, as the majority of the loans receivable and foreclosed real estate assets within the portfolio were impaired in prior periods to their estimated fair values during the recession that began in 2007 and 2008 but were ultimately monetized by BBX Capital Real Estate following the subsequent recovery in the real estate market over the past several years. Although BBX Capital Real Estate is continuing its efforts to monetize the remaining assets within the portfolio, BBX Capital Real Estate has substantially completed the monetization of the portfolio and does not expect to generate substantial profits from the remaining assets in future periods.

BBX Sweet Holdings

Business Overview

BBX Sweet Holdings is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, Hoffman's Chocolates, and Las Olas Confections and Snacks.

IT'SUGAR is a specialty candy retailer which operates approximately 100 retail locations, which include a mix of high-traffic resort and entertainment, lifestyle, mall/outlet, and urban locations in over 25 states and Washington D.C., and its products include bulk candy, candy in giant packaging, and licensed and novelty items. IT'SUGAR has historically utilized a store model for its retail locations that requires a relatively low initial investment, with a goal of shorter payback periods and increased investment returns. However, as a result of trends in retail consumer traffic, IT'SUGAR is currently focused on opening and operating larger stores in select resort and entertainment locations which generally experience higher traffic and sales volume but require a higher initial investment. During 2019, IT'SUGAR continued to invest capital in these types of locations, including Grand Bazaar, a 6,000 square foot location in Las Vegas, Nevada that was opened in June 2019, and a

22,000 square foot, three story candy department store at American Dream, a 3 million square foot shopping and entertainment complex in New Jersey, that was opened in December 2019. In addition, IT'SUGAR is also continuing to evaluate its current retail locations where sales volumes may give rise to early lease termination rights and the potential opportunity to renegotiate lease terms and occupancy costs. For certain underperforming locations where IT'SUGAR does not have early lease termination rights, IT'SUGAR is evaluating potential opportunities to close or sublease such locations. In certain circumstances, IT'SUGAR may determine that it is in its best interest to incur costs to exit a location if New BBX Capital believes that the closure of such locations will improve IT'SUGAR's overall operating efficiencies and profitability over the long term.

BBX Sweet Holdings' other operations include Hoffman's Chocolates, a retailer of gourmet chocolates with retail locations in South Florida, and Las Olas Confections and Snacks, a manufacturer and wholesaler of chocolate and other confectionery products.

Strategy

BBX Sweet Holdings' business and operating strategy is focused on:

- Perfecting store model for larger store locations and optimizing existing store portfolio at IT'SUGAR;
- Developing creative and humorous product content at IT'SUGAR;
- Increasing customer engagement;
- Recruiting and retaining talented associates;
- Improving gross margin and profitability through process improvements and efficiencies and reductions in product and operating costs; and
- Maximizing industry partnerships.

Renin

Business Overview

Renin is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products and operates through its headquarters in Canada and two manufacturing and distribution facilities in the United States and Canada. In addition to its own manufacturing, Renin also sources various products and materials from China and Vietnam. Following BBX Capital's acquisition of Renin in 2013, Renin, which historically generated operating losses, has become profitable, generating trade sales of $67.5 million and income before taxes of $1.8 million for the year ended December 31, 2019.

Renin's products are sold through three channels in North America: retail, commercial, and direct installation in the greater Toronto area. Renin's retail channel currently comprises approximately 63% of its gross sales and includes big box retail customers such as Lowes, Home Depot, and Costco, while its commercial channel currently comprises approximately 26% of its gross sales and includes original equipment manufacturers and fabricators across North America. Renin's direct installation channel generates the remaining sales.

Strategy

Renin's business and operating strategy is focused on:

- Growing sales across all channels by delivering outstanding customer service and consistently developing innovative products;
- Improving gross margin by lowering manufacturing costs through productivity improvement;

- Reducing customer lead-times through better inventory planning and repatriation of domestic manufacturing balanced with global sourcing of finished goods; and
- Seeking to potentially acquire companies in complementary businesses.

Competition

The industries in which New BBX Capital's investments conduct business are very competitive, and New BBX Capital also faces substantial competition with respect to our investment activities from real estate investors and developers, private equity funds, hedge funds, and other institutional investors. New BBX Capital competes with institutions and entities that are larger and have greater resources than the resources available to New BBX Capital.

BBX Capital Real Estate invests in the development of multifamily apartment communities. Due to the historically strong performance of this class of asset within the real estate market, BBX Capital Real Estate is experiencing increased competition from other real estate investors and developers, which is increasing the cost of land and resulting in increased inventories of multifamily apartment communities in the markets in which BBX Capital Real Estate invests and operates, which can decrease market rental rates and increase the time required to lease and stabilize its developments.

Renin's products are primarily sold to large retailers and wholesalers, and it experiences intense competition from importers of foreign products.

Four unaffiliated companies in the confectionery industry currently account for the majority of the industry's revenues, reflecting significant concentration and competition in the industry in which BBX Sweet Holdings operates.

Regulatory Matters

As a public company, New BBX Capital will be subject to federal securities laws, including the Exchange Act. In addition, the companies in which New BBX Capital holds investments are subject to federal, state and local laws and regulations generally applicable to their respective businesses.

Seasonality

BBX Sweet Holdings' businesses are subject to seasonal fluctuations in trade sales, which cause fluctuations in BBX Sweet Holdings' quarterly results of operations. Historically, IT'SUGAR has generated its strongest retail trade sales during the months from June through August, as well as during the month of December, when families are on vacation. BBX Sweet Holdings other operating businesses generate their strongest trade sales during the fourth quarter in connection with various holidays in the United States.

Employees

As of December 31, 2019, New BBX Capital had 1,312 employees. None of our employees are represented by a labor organization, and none are party to any collective bargaining agreement. We have not experienced any work stoppages and consider our relations with our employees to be good.

Properties

Following the spin-off, Parent and New BBX Capital will share office space at their principal executive offices located at 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida, 33301. The space is currently leased by Parent under a lease with an expiration date of February 28, 2021. Parent has the right to renew the terms of the lease for two additional terms of five years commencing as of the expiration date. Parent has executed a lease for a new principal executive office located at 201 East Las Olas Boulevard, Fort Lauderdale, Florida, 33301, and expects to relocate its office upon the delivery of the new space during the first quarter of 2021. The lease agreement for the new principal executive office has an initial term of 10 years and provides Parent with the right to renew the terms of the lease for three additional terms of five years following the initial term. It is expected that the principal executive office lease will either be assigned to New BBX Capital, with a portion of the office space to be subleased to Parent at a rate of $200,000 per year, or New BBX Capital will pay or reimburse Parent for payments under the lease other than $200,000 of annual rent to be borne by Parent.

BBX Sweet Holdings maintains certain executive offices at Parent's principal executive office and also maintains a principal executive office for IT'SUGAR at 3155 Southwest 10th Street, Deerfield Beach, Florida that is occupied under a lease with an expiration date of October 31, 2024. BBX Sweet Holdings operates approximately 100 IT'SUGAR retail locations in over 25 states and Washington D.C. which are subject to leases that expire between 2020 and 2030 and seven Hoffman's Chocolates retail locations in South Florida which are subject to leases that expire between 2020 and 2026. BBX Sweet Holdings also operates a manufacturing facility in Orlando, Florida which is subject to a lease that expires in 2020, subject to four one-year renewals that may be exercised by BBX Sweet Holdings, and leases a manufacturing facility in Utah which is subject to a lease that expires in 2023 and has been subleased. BBX Sweet Holdings also owns a manufacturing facility in Greenacres, Florida.

Renin's principal executive office is located at 110 Walker Drive, Brampton, Ontario and is occupied under a lease with an expiration date of December 31, 2027. Renin leases its manufacturing facilities in the United States and Canada which have lease expiration dates of December 31, 2022 and December 31, 2027, respectively.

Legal Proceedings

In the ordinary course of business, New BBX Capital and its subsidiaries are parties to lawsuits as plaintiff or defendant involving its operations and activities. Additionally, from time to time in the ordinary course of business, New BBX Capital is involved in disputes with existing and former employees, vendors, taxing jurisdictions, and various other parties and also receives consumer complaints and complaints, inquiries, and orders requiring compliance from governmental and consumer agencies, including Offices of State Attorneys General. New BBX Capital takes these matters seriously and attempts to resolve any such issues as they arise. We may also become subject to litigation related to the COVID-19 pandemic, including with respect to any actions we take or may be required to take as a result thereof.

Reserves are accrued for matters in which management believes it is probable that a loss will be incurred and the amount of such loss can be reasonably estimated. Management does not believe that the aggregate liability relating to known contingencies in excess of the aggregate amounts accrued will have a material impact on New BBX Capital's results of operations or financial condition. However, litigation is inherently uncertain, and the actual costs of resolving legal claims, including awards of damages, may be substantially higher than the amounts accrued for these claims and may have a material adverse impact on New BBX Capital's results of operations or financial condition.

Adverse judgments and the costs of defending or resolving legal claims may be substantial and may have a material adverse impact on New BBX Capital's financial statements. Management is not at this time able to estimate a range of reasonably possible losses with respect to matters in which it is reasonably possible that a loss will occur. In certain matters, management is unable to estimate the loss or reasonable range of loss until additional developments provide information sufficient to support an assessment of the loss or reasonable range of loss. Frequently in these matters, the claims are broad, and the plaintiffs have not quantified or factually supported their claim.

There were no material pending legal proceedings against New BBX Capital or its subsidiaries as of March 31, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with our historical financial statements and accompanying notes that we have included elsewhere in this information statement as well as the discussion in the section of this information statement entitled "Business." The following discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including, without limitation, those discussed in the sections of this information statement entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements."

The historical and pro forma financial statements included in this information statement may not reflect what New BBX Capital's business, financial position or results of operations would have been had it been a separate, publicly-traded company during the periods presented or what its results of operations, financial position and cash flows will be in the future. For additional information about New BBX Capital's past financial performance and the basis of presentation of New BBX Capital's financial statements, please see "Unaudited Pro Forma Financial Statements" and New BBX Capital's historical financial statements and the notes thereto included elsewhere in this information statement.

Overview

BBX Capital Florida LLC is currently a Florida limited liability company. Prior to the spin-off, BBX Capital Florida LLC will be converted into a Florida corporation. BBX Capital Florida LLC or the corporation into which it is converted is referred to together with its subsidiaries as the "Company," "we," "us," or "our," and without its subsidiaries as "New BBX Capital." The Company is a Florida-based diversified holding company whose principal investments are BBX Capital Real Estate LLC ("BBX Capital Real Estate" or "BBXRE"), BBX Sweet Holdings, LLC ("BBX Sweet Holdings") and Renin Holdings, LLC ("Renin").

The Company's goal is to build long-term shareholder value. Since many of the Company's assets do not generate income on a regular or predictable basis, the Company's objective continues to be long-term growth as measured by increases in book value and intrinsic value over time. In addition, the Company's goal is to streamline its investment verticals so that the Company can be more easily analyzed and followed by the marketplace. The Company regularly reviews the performance of its investments and, based upon economic, market, and other relevant factors, considers transactions involving the sale or disposition of all or a portion of its assets, investments, or subsidiaries. These include, among other alternatives, a sale or spin-off of its assets, investments, or subsidiaries or transactions involving public or private issuances of debt or equity securities which decrease or dilute the Company's ownership interest in such investments. Further, the Company may from time to time repurchase its outstanding securities and the outstanding securities of its subsidiaries subject to market conditions and other factors.

As of March 31, 2020, the Company had total consolidated assets of approximately $332.9 million and Parent's equity of approximately $160.7 million.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic has been, and continues to be, an unprecedented disruption in the U.S. and global economies and the industries in which the Company operates due to, among other things, government ordered "shelter in place" and "stay at home" orders and advisories, travel restrictions, and restrictions on business operations, including required closures of resorts and retail locations. The disruptions arising from the pandemic and the reaction of the general public had a significant adverse impact on the Company's financial condition and operations during the three months ended March 31, 2020. The duration and severity of the pandemic and related disruptions, as well as the adverse impact on economic and market conditions, are uncertain; however, given the nature of these circumstances, the adverse impact of the pandemic on the Company's consolidated results of operations, cash flows, and financial condition in 2020 has been, and is expected to continue to be, material. Furthermore, although the duration and severity of the effects of the pandemic are uncertain, it is expected that demand for many of the Company's products and services may remain weak for a significant length of time, and the Company cannot predict if and when the industries in which the Company operates will return to pre-pandemic levels.

Although the impact of the COVID-19 pandemic on the Company's principal investments, including management's efforts to mitigate the effects of the pandemic, has varied, as described in further detail below, New BBX Capital and its subsidiaries have taken steps to manage expenses through cost saving initiatives and reductions in employee head count and taken actions to increase liquidity and strengthen the Company's financial position, including drawing cash from certain available lines of credit and reducing planned capital expenditures. As of March 31, 2020, the Company's consolidated cash balances were $17.6 million.

See below for additional discussion related to the current and estimated impacts of theCOVID-19 pandemic on the Company's principal investments.

Summary of Consolidated Results of Operations

Consolidated Results

The following summarizes key financial highlights for the three months ended March 31, 2020 compared to the same 2019 period:

- Total consolidated revenues of $48.2 million, a 5.5% decrease compared to the same period in 2019.
- Loss before income taxes from continuing operations of $30.6 million compared to $5.2 million for the same period in 2019.
- Net loss attributable to Parent of $21.9 million compared to $5.0 million for the same period in 2019.

The Company's consolidated results for the three months ended March 31, 2020 compared to the same 2019 period were significantly impacted by the following:

- The recognition of impairment losses of $27.4 million primarily related to goodwill and long-lived assets associated with IT'SUGAR as a result of the impact of the COVID-19 pandemic.
- The closing of IT'SUGAR's retail locations in March 2020 in response to theCOVID-19 pandemic.

Segment Results

New BBX Capital currently reports the results of its business activities through the following reportable segments: BBX Capital Real Estate, Renin, and BBX Sweet Holdings.

Information regarding loss before income taxes by reportable segment is set forth in the table below (in thousands):

	For the Three Months Ended March 31,		
	2020	2019	Change
BBX Capital Real Estate	$ 4,051	2,423	1,628
BBX Sweet Holdings	(28,938)	(3,283)	(25,655)
Renin	714	1,056	(342)
Other	(2,848)	326	(3,174)
Reconciling items and eliminations	(3,588)	(5,733)	2,145
Loss before income taxes from continuing operations	(30,609)	(5,211)	(25,398)
Benefit for income taxes	5,908	1,460	4,448
Net loss from continuing operations	(24,701)	(3,751)	(20,950)
Discontinued operations	(678)	(1,269)	591
Net loss	(25,379)	(5,020)	(20,359)
Less: Net loss attributable to noncontrolling interests	3,456	40	3,416
Net loss attributable to Parent	$ (21,923)	(4,980)	(16,943)

BBX Capital Real Estate Reportable Segment

Segment Description

BBX Capital Real Estate (or BBXRE) is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, including investments in multifamily apartment and townhome communities, single-family master-planned communities, and commercial properties located primarily in Florida. In addition, BBXRE owns a 50% equity interest in The Altman Companies, a developer and manager of multifamily apartment communities, and also manages the legacy assets acquired in connection with Parent's sale of BankAtlantic in 2012, including a portfolio of loans receivable, real estate properties and judgments.

Overview

Although BBXRE's operating results for the three months ended March 31, 2020 were not significantly impacted by theCOVID-19 pandemic, the effects of the pandemic are currently impacting certain of BBXRE's operations. In particular, while construction activities remain ongoing at BBXRE's existing projects, the effects of the COVID-19 pandemic, including "shelter in place" and "stay at home" orders and advisories and increased unemployment and economic uncertainty, have disrupted sales activities at BBXRE's single-family home developments and rental activities at its multifamily apartment developments. In addition, the effects of the pandemic, including the impact on general economic conditions and real estate and credit markets, have increased uncertainty related to the expected timing and pricing of future sales of multifamily apartment developments, single-family homes, and developed lots at BBXRE's Beacon Lake Community, as well as the commencement of new multifamily apartment developments. BBXRE determined that its existing real estate investments were not impaired as of March 31, 2020 as the impact of the pandemic on real estate values was uncertain at such time; however, BBXRE will continue to monitor economic and market conditions and may recognize impairment losses in future periods to the extent that the effects of the pandemic have a severe and sustained adverse impact on the real estate market.

BBXRE previously disclosed that it anticipated its operating profits would decline in 2020 as compared to recent prior periods and expects that the effects of the COVID-19 pandemic will result in a further decline in its results of operations for 2020. In addition, as BBXRE's primary focus in 2020 was to source investments in new development opportunities with the goal of building a diversified portfolio of real estate investments that generate profits in future periods, the effects of the COVID-19 pandemic may impact BBXRE over a longer term to the extent that its ability to identify new development opportunities that meet its investment criteria or source debt or equity capital from unaffiliated third parties is impacted for a prolonged period of time. While BBXRE may be able to identify opportunistic investments in a recessionary environment that New BBX Capital could fund with its available cash, there is no certainty that such opportunities will arise or that New BBX Capital will determine that such investments meet its investment criteria.

As a result of the above factors, including the potential impact of theCOVID-19 pandemic on sales of existing projects and investments in new development opportunities, BBXRE's results of operations and financial condition may be materially adversely impacted by the effects of the pandemic in future periods

The Altman Companies and Related Investments

During the three months ended March 31, 2020, the Altis at Wiregrass joint venture, which was sponsored by The Altman Companies, sold its 392 unit multifamily apartment community in Tampa, Florida. As a result of the sale, BBXRE recognized $0.8 million of equity earnings during the three months ended March 31, 2020 and received approximately $2.3 million of distributions from the venture in April 2020. In addition, BBXRE contributed $1.3 million of additional capital to The Altman Companies to fund operations and invested $1.0 million in existing real estate joint ventures sponsored by The Altman Companies, including the Altis Miramar West, Altis Miramar East, and Altis at Lake Willis joint ventures.

With respect to the impact of the COVID-19 pandemic, construction activities remain ongoing at the existing projects sponsored by The Altman Companies, and as a result, The Altman Companies continues to generate development and general contractor fees from such projects. However, the effects of the COVID-19 pandemic, including "shelter in place" and "stay at home" orders and advisories and a recessionary economic environment, have disrupted rental activities at its multifamily apartment developments. These effects are expected to impact occupancy levels and rental rates and, although The Altman Companies has collected a significant portion of April and May 2020 rents, may also result in an increase in tenant delinquencies and/or requests for rent abatements, particularly to the extent that there is a prolonged economic downturn and high unemployment. As a result, these effects may subsequently impact the amount of rental revenues generated from such developments, the extent of management fees earned by The Altman Companies, and the ability of the related joint ventures to stabilize and ultimately sell such developments. Furthermore, a decline in rental revenues at such developments could require The Altman Companies, as the developer and sponsor of such projects, to fund certain operating shortfalls in certain circumstances.

In addition, the impact of the COVID-19 pandemic on economic conditions in general, including the uncertainty regarding the severity and duration of such impact, has resulted in a decline in real estate sales activity and tightened credit markets and may also impact real estate market values. As a result of these factors, the joint ventures sponsored by The Altman Companies may be unable to sell their respective multifamily apartment developments within the time frames previously anticipated and/or for the previously forecasted sales prices. Furthermore, The Altman Companies may be unable to close on the equity and/or debt financing necessary to commence the construction of new projects, including the development of Altis at Lake Willis. In June 2020, the Altis at Ludlam joint venture closed on permanent financing for its development of a multifamily apartment community in Miami, Florida, and in connection with the closing, BBXRE invested an additional $8.5 million in such venture.

Beacon Lake Master Planned Development

During the three months ended March 31, 2020, BBXRE continued its development of the lots comprising Phase II of the Beacon Lake Community in St. Johns County, Florida, which is expected to include approximately 400 single-family homes and 196 townhomes, and an additional 79 lots for single-family homes as part of Phase III of the project. In addition, BBXRE sold to homebuilders 49 single family lots and 38 townhome lots.

BBXRE has entered into purchase agreements with homebuilders to sell developed lots for an additional 373 single-family homes and 158 townhomes and has collected deposits related to these purchase agreements. However, although home sales have recommenced at the Beacon Lake Community after an initial decline as a result of the COVID-19 pandemic, the pandemic may nevertheless impact the timing of the purchase of developed lots by the homebuilders and could result in the homebuilders not performing under these contracts. In addition, a decline in home prices as a result of economic impacts associated with the COVID-19 pandemic could result in a decrease in contingent revenues expected to be earned by BBXRE in connection with sales of homes by homebuilders on developed lots sold to them in prior periods.

Results of Operations

Information regarding the results of operations for BBX Capital Real Estate is set forth below (dollars in thousands):

	For the Three Months Ended March 31,		
	2020	**2019**	**Change**
Sales of real estate inventory	$ 6,439	4,236	2,203
Interest income	104	202	(98)
Net (losses) gains on sales of real estate assets	(47)	1,332	(1,379)
Other	460	684	(224)
Total revenues	6,956	6,454	502
Cost of real estate inventory sold	4,632	2,643	1,989
Recoveries from loan losses, net	(3,512)	(961)	(2,551)
Selling, general and administrative expenses	2,336	2,494	(158)
Total costs and expenses	3,456	4,176	(720)
Equity in net earnings (losses) of unconsolidated joint ventures	551	(17)	568
Other income	—	162	(162)
Income before income taxes	$ 4,051	2,423	1,628

BBX Capital Real Estate's income before income taxes for the three months ended March 31, 2020 compared to the same 2019 period increased by $1.6 million primarily due to the following:

- An increase in net profits from the sale of developed lots to homebuilders at the Beacon Lake Community development, as BBXRE sold 87 developed lots during the 2020 period compared to 51 developed lots sold in the 2019 period; and
- A net increase in recoveries from loan losses primarily due to a settlement with a financial institution servicing loans for BBXRE; and
- An increase in equity in net earnings of unconsolidated joint ventures primarily due to the Altis at Wiregrass's sale of its multifamily apartment community, as described above; partially offset by
- A decrease in net gains on sales of real estate assets primarily due to the recognition of a $1.3 million net gain on the sale of commercial land in the 2019 period.

BBX Sweet Holdings Reportable Segment

Segment Description

BBX Sweet Holdings is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, Hoffman's Chocolates, and Las Olas Confections and Snacks. IT'SUGAR is a specialty candy retailer which has approximately 100 retail locations, which include a mix of high-traffic resort and entertainment, lifestyle, mall/outlet, and urban locations in over 25 states and Washington D.C., and its products include bulk candy, candy in giant packaging, and licensed and novelty items. Hoffman's Chocolates is a retailer of gourmet chocolates with retail locations in South Florida, and Las Olas Confections and Snacks is a manufacturer and wholesaler of chocolate and other confectionery products.

Overview

Although BBX Sweet Holdings' results from operations were improved for the first two months of 2020 as compared to 2019, which reflected, among other things, IT'SUGAR's opening of a three story candy department store at American Dream in New Jersey in December 2019 and the opening of three other stores in 2019, BBX Sweet Holdings has been materially adversely impacted by the effects of the COVID-19 pandemic.

As March 31, 2020, as a result of various factors, including government-mandated closures and advisories, IT'SUGAR had closed all of its retail locations and furloughed all store employees and the majority of its corporate employees. Following a period in which IT'SUGAR was not generating any trade sales other than limited sales through its website and wholesale channels, IT'SUGAR commenced a phased reopening of certain of its retail locations starting in May 2020. As part of its phased reopening, IT'SUGAR has implemented revised store floor plans and increased sanitation protocols. IT'SUGAR has not made its scheduled rent payments to the landlords of its retail locations and is in discussions with its landlords for rent abatements. As a result of the prolonged closure of its retail locations that commenced in March 2020, IT'SUGAR does not believe that it will have sufficient liquidity to continue its full operations if it is unable to obtain significant rent abatements or deferrals from its landlords and amended payment terms from its vendors and, if it is not successful with these negotiations, may decide to pursue a formal or informal restructuring. Further, even if IT'SUGAR is in a position to reopen its retail locations and continue its operations, the effects of the COVID-19 pandemic on demand and future sales levels, including a recessionary economic environment and the potential impact of the pandemic on consumer behavior, remain uncertain and could have a long-term and material adverse impact on IT'SUGAR's business, results of operations, and financial condition and its ability to continue its operations. As a result, BBX Sweet Holdings recognized $24.7 million of impairment losses related to IT'SUGAR's goodwill and long-lived assets during the three months ended March 31, 2020. See Note 6 to the Company's unaudited combined carve-out financial statements included in this information statement for additional information with respect to the recognition of these impairment losses.

In addition to the significant impact of the COVID-19 pandemic on IT'SUGAR's operations, BBX Sweet Holdings' other operations have also been adversely impacted by the pandemic. In particular, in March 2020, Hoffman's Chocolates closed all of its retail locations to customer traffic and limited sales to curbside pickup (where allowable by government mandates) and online customers. In addition, Hoffman's Chocolates is in discussions with its landlords for rent abatements and deferrals. While Las Olas Confections and Snacks has continued to operate its manufacturing facility and sell products to its wholesale customers, its sales activity has declined as a result of the effects of the pandemic. In response to the effects of the pandemic, both Hoffman's Chocolates and Las Olas Confections and Snacks have implemented several cost mitigating activities, including a reduction of workforce and indefinite furlough of certain employees.

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Results of Operations

Information regarding the results of operations for BBX Sweet Holdings is set forth below (dollars in thousands):

	For the Three Months Ended March 31,		
	2020	2019	Change
Trade sales	$ 21,329	22,131	(802)
Cost of trade sales	(14,770)	(15,397)	627
Gross margin	6,559	6,734	(175)
Selling, general and administrative expenses	10,900	10,211	689
Total operating profits	(4,341)	(3,477)	(864)
Interest and other income	172	238	(66)
Impairment losses	(24,708)	—	(24,708)
Interest expense	(61)	(44)	(17)
Loss before income taxes	$ (28,938)	(3,283)	(25,655)
Gross margin percentage	% 30.75	30.43	0.32
SG&A as a percent of trade sales	% 51.10	46.14	4.96

BBX Sweet Holdings' loss before income taxes for the three months ended March 31, 2020 was $28.9 million compared to $3.3 million during the same 2019 period, which reflects the following:

- The recognition of impairment losses in 2020 due to a decline in the estimated value of the goodwill and long-lived assets associated with BBX Sweet Holdings' reporting units as a result of the impact of the COVID-19 pandemic on market conditions;
- A net increase in selling, general and administrative expenses primarily due to costs associated with new locations opened during 2019, including the Grand Bazaar location in Las Vegas and the American Dream location in New Jersey; and
- A decrease in trade sales primarily due to the temporary closing of all IT'SUGAR stores in March 2020 due to the COVID-19 pandemic, as described above.

Renin Reportable Segment

Segment Description

Renin is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products and operates through its headquarters in Canada and two manufacturing and distribution facilities in the United States and Canada. In addition to its own manufacturing, Renin also sources various products and raw materials from China and Vietnam. Renin's products are sold through three channels in North America: retail, commercial, and direct installation in the greater Toronto area.

Overview

Renin's operating results for the three months ended March 31, 2020 were not significantly impacted by the COVID-19 pandemic. In particular, while Renin's trade sales for the three months ended March 31, 2020 were down compared to the same 2019 period, its sales were consistent with expectations for the 2020 period, and the decrease was primarily attributable to sales programs to two retail customers in the 2019 period that were not expected to be repeated and did not repeat in the 2020 period.

Renin's operations have not been directly impacted by certain effects of the COVID-19 pandemic, as it has been exempted from various "shelter in place" and "stay at home" orders and advisories, and Renin is continuing to operate both of its manufacturing and distribution facilities, source various products and raw materials from China and Vietnam, and sell its products through various channels. Although Renin experienced an initial decline in sales volumes in April 2020, which management believes was largely attributable to the impact of other effects of the pandemic, including a recessionary economic environment and rising unemployment, Renin's sales in May 2020 increased as compared to the same period in 2019, and the ultimate effects of the pandemic on Renin's operations remain uncertain. However, such effects could have a significant adverse impact on Renin's results of operations and financial condition in future periods, particularly to the extent that an economic downturn is prolonged in nature or results in material disruptions in the supply chains for its products and raw materials. As Renin continues to source products and raw materials from China, disruptions in its supply chain from China as a result of various factors, including increased tariffs or closures in the supply chain, could impact Renin's cost of product and ability to meet customer demand.

Renin is continuing to monitor the effects of the pandemic and is exploring various opportunities through which it could attempt to mitigate such effects, including increasing online sales and implementing cost reduction initiatives. However, there is no assurance that any such initiatives will be successful.

Results of Operations

Information regarding the results of operations for Renin is set forth below (dollars in thousands):

	For the Three Months Ended March 31,		
	2020	2019	Change
Trade sales	$ 17,446	19,343	(1,897)
Cost of trade sales	(14,275)	(15,117)	842
Gross margin	3,171	4,226	(1,055)
Selling, general and administrative expenses	2,618	3,035	(417)
Total operating profits	553	1,191	(638)
Other revenue	(3)	—	(3)
Interest expense	(114)	(140)	26
Foreign exchange gain	278	5	273
Income before income taxes	$ 714	1,056	(342)
Gross margin percentage	% 18.18	21.85	(3.67)
SG&A as a percent of trade sales	% 15.01	15.69	(0.68)

Renin's income before income taxes for the three months ended March 31, 2020 was $0.7 million compared to $1.1 million during the same 2019 period. The decrease was primarily due to the following:

- A decrease in Renin's trade sales resulting primarily from sales programs to two retail customers in the 2019 period that were not repeated in the 2020 period; and
- A decline in Renin's gross margin percentage, which reflects a shift in its customer mix toward lower margin commercial customers, as there was an increase in commercial sales and a decrease in retail sales, and an increase in tariffs on products imported from China; partially offset by
- A decrease in selling, general and administrative expenses primarily due to lower travel and trade show expenses as a result of travel restrictions associated with the COVID-19 pandemic; and
- An increase in foreign exchange gains in the 2020 period resulting from the change in exchange rates between the United States and Canadian currencies.

Other

Other in the Company's segment information includes its investments in other operating businesses, including a restaurant located in South Florida that was acquired through a loan foreclosure and an insurance agency.

The loss before taxes for these other businesses was $2.8 million compared to income before taxes of $0.3 million for the same 2019 period. During the three months ended March 31, 2020, the Company recognized $2.7 million of impairment losses related to certain of these investments primarily resulting from the effects of the COVID-19 pandemic on the estimated value of the businesses.

Reconciling Items and Eliminations

Reconciling items and eliminations in the Company's segment information includes the following:

- New BBX Capital's corporate general and administrative expense allocation from Parent;
- Elimination of transactions between New BBX Capital's subsidiaries; and
- Interest expense capitalized in connection with real estate construction activities.

Corporate General and Administrative Expenses

New BBX Capital's corporate general and administrative expenses consist of a cost allocation of services provided by Parent to New BBX Capital for various support functions, including executive compensation, legal, accounting, human resources, investor relations, and executive offices. The cost allocation from Parent to New BBX Capital's for the three months ended March 31, 2020 and 2019 were $3.7 million and $5.7 million, respectively. The decrease in cost allocation for the three months ended March 31, 2020 compared to the same 2019 period primarily reflects the allocation of Parent's compensation expense related to its Chief Executive Officer and Chief Financial Officer directly to Bluegreen as a result of their expanded roles at Bluegreen in the 2020 period, as well as an updated estimate of the allocation of annual executive bonus expenses expected to be paid in cash and stock.

Provision for Income Taxes

The Company estimates its effective annual income tax rate on a quarterly basis based on current and forecasted operating results for the annual period and applies the estimated effective income tax rate to its income before income taxes reduced by net income attributable to noncontrolling interests in joint ventures taxed as partnerships.

The Company's effective income tax rate was approximately 19% and 28% during the three months ended March 31, 2020 and 2019, respectively. The Company's effective income tax rate for the three months ended March 31, 2020 and 2019 was different than the expected federal income tax rate of 21% due to the impact of nondeductible executive compensation and state income taxes. The effective income tax rate for the 2020 period reflects a current estimated ordinary taxable loss for the year ended December 31, 2020 resulting primarily from the effects of the COVID-19 pandemic.

Discontinued Operations

In September 2019, due to continuing losses at FFTRG's MOD Pizza restaurant locations and the Company's goal of streamlining its investment verticals, the Company entered into an agreement with MOD Super Fast Pizza ("MOD") to terminate FFTRG's area development and franchise agreements with MOD. The Company disposed of its restaurant locations by transferring the assets and lease obligations to MOD or closing the restaurant locations in September 2019.

The Company recognized a pre-tax loss from discontinued operations of $0.9 million and $1.7 million during the three months ended March 31, 2020 and 2019, respectively. The Company has a lease obligation associated with a MOD Pizza restaurant location that was not opened. The lease in in default, and the Company recognized an impairment loss on the associated operating lease asset of $0.8 million during the three months ended March 31, 2020. The $1.7 million loss for the three months ended March 31, 2019 was primarily attributable to operating losses associated with the Company's MOD Pizza restaurant locations, including costs incurred in connection with the opening of two restaurant locations, as well as the recognition of an impairment loss of $0.6 million associated with property and equipment at a location that was performing below expectations.

Net Loss Attributable to Noncontrolling Interests

New BBX Capital's combined carve-out financial statements include the results of operations and financial position of IT'SUGAR, a partially-owned subsidiary in which it holds a controlling financial interest. As a result, the Company is required to attribute net income to the noncontrolling interest in IT'SUGAR.

Net loss attributable to noncontrolling interests was $3.5 million during the three months ended March 31, 2020 compared to $40,000 for the comparable 2019 period. The net loss attributable to noncontrolling interests for the three months ended March 31, 2020 was primarily due to IT'SUGAR's recognition of impairment losses related to its goodwill and long lived assets.

Consolidated Cash Flows

A summary of our consolidated cash flows is set forth below (in thousands):

	For the Three Months Ended March 31,	
	2020	2019
Cash flows used in operating activities	$ (4,477)	(963)
Cash flows used in investing activities	(2,659)	(2,248)
Cash flows provided by financing activities	4,052	5,185
Net (decrease) increase in cash, cash equivalents and restricted cash	(3,084)	1,974
Cash, cash equivalents and restricted cash at beginning of period	21,287	30,082
Cash, cash equivalents and restricted cash at end of period	$ 18,203	32,056

Cash Flows provided by Operating Activities

The Company's cash used in operating activities increased by $3.5 million during the three months ended March 31, 2020 compared to the same 2019 period primarily due to a decline in trade sales and an increase in trade receivables.

Cash Flows used in Investing Activities

The Company's cash used in investing activities increased by $0.4 million during the three months ended March 31, 2020 compared to the same 2019 period primarily due to higher purchases of property and equipment at IT'SUGAR associated with the opening of new locations, lower distributions from unconsolidated joint ventures, and lower proceeds from sales of real estate, partially offset by lower investments in unconsolidated real estate joint ventures and higher repayments from loans receivable.

Cash Flows provided by/used in Financing Activities

The Company's cash provided by financing activities decreased by $1.1 million during the three months ended March 31, 2020 compared to the same 2019 period, which was primarily due to lower net transfers from Parent for 2020.

Commitments

The Company's material commitments as of March 31, 2020 included the required payments due on notes payable and lines of credit and commitments under non-cancelable operating leases.

The following table summarizes the contractual minimum principal and interest payments required on the Company's outstanding debt and payments required on the Company's non-cancelable operating leases by period due date as of March 31, 2020 (in thousands):

	Payments Due by Period					
	Less than 1 year	1 - 3 Years	4 - 5 Years	After 5 Years	Unamortized Debt Issuance Costs	Total
Contractual Obligations						
Notes payable and lines of credit borrowings	$ 10,839	5,023	2,269	24,500	(727)	41,904
Noncancelable operating leases	14,622	39,150	27,803	32,582	—	114,157
Total contractual obligations	25,461	44,173	30,072	57,082	(727)	156,061
Interest Obligations (1)						
Notes payable and lines of credit borrowings	1,941	3,395	3,244	20,187	—	28,767
Total contractual interest	1,941	3,395	3,244	20,187	—	28,767
Total contractual obligations	$ 27,402	47,568	33,316	77,269	(727)	184,828

(1) Assumes that the scheduled minimum principal payments are made in accordance with the table above and the interest rate on variable rate debt remains the same as the rate at March 31, 2020.

New BBX Capital and Subsidiaries

At the current time, New BBX Capital intends to use its cash in order to satisfy the payments required under its contractual obligations for the foreseeable future, while its subsidiaries will use, to the extent available, their respective cash on hand, cash flows from operations, and cash received from new borrowings under existing or future debt facilities in order to satisfy their respective obligations. However, as a result of the COVID-19 pandemic, there is no assurance that New BBX Capital's subsidiaries will have sufficient cash from such sources to satisfy their respective contractual obligations and maintain their respective operations.

While New BBX Capital has available cash that it may use to contribute to or fund the obligations and commitments of its subsidiaries, New BBX Capital intends to evaluate the facts and circumstances of the cash requirements of each of its subsidiaries, including their operating deficits, their liquidity requirements, and the sustainability of their operations as a result of the COVID-19 pandemic, and make a determination of whether and/or how much it will make available to each subsidiary.

Off-balance-sheet Arrangements

Parent guarantees certain obligations of New BBX Capital's wholly-owned subsidiaries and unconsolidated real estate joint ventures as described in further detail in Note 10 to the Company's unaudited combined carve-out financial statements included in this information statement.

The Company has investments in joint ventures involved in the development of multifamily apartment and townhome communities, as well as single-family master planned communities. The Company's investments in these joint ventures are accounted for under the equity method of accounting, and as a result, the Company does not recognize the assets and liabilities of these joint ventures in its financial statements. As of March 31, 2020 and December 31, 2019, the Company's investments in these joint ventures totaled $59.4 million and $57.3 million, respectively. These unconsolidated real estate joint ventures generally finance their activities with a combination of debt financing and equity. The Company generally does not directly guarantee the financing of these joint ventures, other than as described above and in Note 5 to the Company's combined carve-out financial statements included in this information statement, and the Company's maximum exposure to losses from these joint ventures is its equity investment. The Company is typically not obligated to fund additional capital to its joint ventures; however, the Company's interest in a joint venture may be diluted if the Company elects not to fund a joint venture capital call.

Summary of Combined Results of Operations for the years ended December 31, 2019, 2018 and 2017

Consolidated Results

The following summarizes key financial highlights for the year ended December 31, 2019 compared to the same 2018 period:

- Total consolidated revenues were $203.7 million, a 2.3% decrease compared to 2018.
- Income from continuing operations before income taxes was $29.0 million compared to a loss from continuing operations of $3.0 million for 2018.
- Net income attributable to Parent was $13.7 million, compared to a net loss attributable to Parent of $9.2 million for 2018.

The Company's consolidated results for the year ended December 31, 2019 compared to the same 2018 period were significantly impacted by the following:

- A net increase in sale activity in BBX Capital Real Estate's portfolio in 2019, including the Altis at Bonterra joint venture's sale of its multifamily apartment community in Hialeah, Florida, which resulted in the recognition of $29.2 million of equity earnings from the joint venture in 2019, and the sale of various real estate assets, which resulted in an increase in the gains on sales of real estate assets of $9.1 million in 2019 as compared to the same 2018 period.
- A decrease in operating losses generated by BBX Sweet Holdings in 2019, which primarily reflects the impact of various strategic initiatives implemented by the Company during 2018, including the closure of a manufacturing facility and a reduction in corporate personnel and infrastructure, and various impairment losses and other costs recognized in 2018 in connection with such initiatives.

The following summarizes key financial highlights for the year ended December 31, 2018 compared to the same 2017 period:

- Total consolidated revenues were $208.6 million, a 37.2% increase compared to 2017.
- Loss from continuing operations before income taxes was $3.0 million, a 77.6% decrease compared to 2017.
- Net loss attributable to Parent was $9.2 million, a 42.8% decrease compared to 2017.

The Company's consolidated results for 2018 as compared to the same 2017 period were significantly impacted by the following events:

- In June 2017, the Company acquired IT'SUGAR, a specialty candy retailer with approximately 100 retail locations in over 25 states and Washington, D.C., for a purchase price of $58.4 million, net of cash acquired. During 2018, IT'SUGAR contributed revenues of $79.8 million and a loss before income taxes of $2.4 million.

- In December 2017, the enactment of the Tax Cuts and Jobs Act (the "Tax Reform Act"), which reduced the U.S. corporate income tax rate from 35% to 21% effective January 1, 2018, resulted in a $4.0 million reduction in the Company's deferred tax asset in 2017.
- During 2018, BBX Capital Real Estate closed on the sale of 251 developed lots to homebuilders as part of Phase I of its development of the Beacon Lake Community, which resulted in pre-tax profits of $7.7 million in 2018. In addition, BBX Capital Real Estate monetized various investments within its portfolio, including the Addison on Millenia, Altis at Shingle Creek, and a student housing facility.

Segment Results

Income before income taxes by reportable segment for the years ended December 31, 2019, 2018, and 2017 is set forth in the table below (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
BBX Capital Real Estate	$ 52,696	30,214	16,085
BBX Sweet Holdings	(5,122)	(14,986)	(16,781)
Renin	1,808	2,461	2,180
Other	349	346	(219)
Reconciling items and eliminations	(20,746)	(21,057)	(14,729)
Income (loss) from continuing operations before income taxes	28,985	(3,022)	(13,464)
Provision for income taxes	(8,334)	(2,865)	(1,306)
Net income (loss) from continuing operations	20,651	(5,887)	(14,770)
Net loss from discontinued operations	(7,138)	(3,580)	(1,339)
Net income (loss)	13,513	(9,467)	(16,109)
Less: Net loss attributable to noncontrolling interests	224	266	20
Net income (loss) attributable to Parent	$ 13,737	(9,201)	(16,089)

BBX Capital Real Estate Reportable Segment

Overview

The Altman Companies and Related Investments

In 2018, BBXRE acquired a 50% membership interest in the Altman Companies, a joint venture between the Company and Joel Altman ("JA") engaged in the development, construction, and management of multifamily apartment communities. As of December 31, 2019, BBXRE had investments in ten active developments sponsored by the Altman Companies, comprised of three developments that are stabilized or being leased and expected to be sold over the next two years, five developments that are under construction, and two projects that are currently in predevelopment stages.

During the year ended December 31, 2019, BBXRE monetized certain of its investments in real estate joint ventures that were sponsored by the Altman Companies, including the following:

- In April 2019, the Altis at Lakeline joint venture sold its 354 unit multifamily apartment community in Cedar Park, Texas. As a result of the sale, BBXRE recognized $5.0 million of equity earnings and received approximately $9.3 million of distributions from the venture during the year ended December 31, 2019.
- In August 2019, the Altis at Bonterra joint venture sold its 314 unit multifamily apartment community located in Hialeah, Florida. As a result of the sale, BBXRE recognized $29.2 million of equity earnings and received approximately $46.0 million of distributions from the joint venture. In addition, prior to

the sale, BBXRE received approximately $4.3 million of distributions from the venture during the year ended December 31, 2019 related to prior operating profits of the venture.

BBXRE also continued to invest in new real estate joint ventures sponsored by the Altman Companies, which are summarized below:

- During the year ended December 31, 2019, joint ventures sponsored by the Altman Companies closed on construction financing and commenced development of the following projects:
  - Altis at Preserve (Suncoast), a 350 unit multifamily apartment community in Tampa, Florida;
  - Altis at Little Havana, a 224 unit multifamily apartment community in Miami, Florida;
  - Altis Miramar West, a 320 unit multifamily apartment community in Miramar, Florida; and
  - Altis Miramar East, a 330 unit multifamily apartment community, in Miramar, Florida.

  The Altman Companies is providing development, construction, and management services to the ventures in exchange for ongoing fee revenue, and BBXRE and JA have invested in the respective managing member of these ventures. As of December 31, 2019, BBXRE had invested an aggregate of $4.2 million in the managing members of these joint ventures.
- In August 2019, BBXRE invested $4.5 million in the Altis at Lake Willis (Vineland Pointe) joint venture, which was formed to acquire land, obtain entitlements, and fund predevelopment costs for the development of a potential multifamily apartment community in Orlando, Florida. The joint venture expects to receive entitlements for the project, close on the capital to construct the project, and commence construction in 2021.

Beacon Lake Master Planned Development

During the year ended December 31, 2019, BBXRE continued its development of the Beacon Lake Community in St. Johns County, Florida and sold to homebuilders the remaining 51 developed lots in Phase I of the project, which is comprised of 302 lots.

BBXRE has commenced land development on the lots comprising Phase II of the project, which is expected to include approximately 400 single-family homes and 196 townhomes, and an additional 79 lots for single-family homes as part of Phase III of the project. BBXRE has entered into purchase agreements with homebuilders to sell developed lots for 422 single-family homes and all of the 196 townhomes, and closings on the sale of developed lots in Phase II to homebuilders commenced in January 2020.

Other Joint Venture Activity

During the year ended December 31, 2019, the PGA Design Center joint venture sold its remaining commercial buildings located in Palm Beach Gardens, Florida and provided seller financing to the buyer for a portion of the sales price. As a result of the sale, BBXRE recognized $2.8 million of equity earnings and received approximately $2.3 million of distributions from the venture.

In addition, BBXRE invested in two new real estate joint ventures, including The Main Las Olas joint venture, which was formed to invest in the development of The Main Las Olas, a mixed-used project in downtown Fort Lauderdale, Florida that is planned to be comprised of an office tower with approximately 365,000 square feet of leasable area, a residential tower with approximately 341 units, and approximately 45,000 square feet of ground floor retail, and the Sky Cove joint venture, which was formed to develop, construct, and sell 204 single-family homes in Westlake Florida. BBXRE has invested $2.0 million in The Main Las Olas joint venture and $4.2 million in the Sky Cove joint venture and expects to invest an additional $2.0 million in The Main Las Olas joint venture as the development progresses.

Other Real Estate Activity

During the year ended December 31, 2019, BBXRE sold other various real estate assets within its portfolio, including RoboVault, a self-storage facility located in Fort Lauderdale, Florida, its remaining land parcels located at PGA Station in Palm Beach Gardens, Florida, and various land parcels located in Florida. As a result of these sales, BBXRE recognized total net gains on sales of real estate of $13.6 million and received aggregate net proceeds of $35.2 million.

In connection with the sale of its remaining land parcels at PGA Station, which were sold to the buyer of the commercial buildings sold by the PGA Design Center joint venture, as described above, BBXRE reinvested $2.1 million of the proceeds in the PGA Lender joint venture, a joint venture formed with the PGA Design Center joint venture to invest in the seller financing provided to the buyer.

Outlook

As a result of BBXRE's monetization of a significant number of investments in its portfolio in 2019 and the overall decline in the balance of the legacy asset portfolio, BBXRE expects that its operating profits and income before income taxes will decline in the near term, including a significant decline in equity in net earnings of unconsolidated joint ventures in 2020. In addition, the Altman Companies has historically incurred operating costs in excess of the fees earned from the projects, and its earnings have generally arisen as a result of the promoted equity interests received as the managing member of the projects. As a result, BBXRE is currently focused on leveraging the Altman Companies, as well as BBXRE's relationships with third party developers, to source investments in new development opportunities with the goal of building a diversified portfolio of real estate investments that generate profits. In addition to the development and sale of multifamily apartment communities, these investment opportunities may also include the development of multifamily apartment communities that will be owned over a long-term hold period and the acquisition of existing multifamily apartment communities which can be renovated and re-leased pursuant to a "value add" strategy to generate sustainable cash flows. Furthermore, while BBXRE's investments in multifamily apartment communities sponsored by the Altman Companies primarily involve investing in the managing member in the joint ventures that are formed to invest in such projects, BBXRE may also consider opportunistically making increased debt or equity investments in one or more of such projects in lieu of seeking such funding from unaffiliated third parties.

Due to the historically strong performance of multifamily apartment assets within the real estate market, BBXRE is experiencing increased competition from other real estate investors and developers, which is increasing the cost of land and resulting in increased inventories of multifamily apartment communities in the markets in which BBXRE invests and operates, which can decrease market rental rates and increase the time required to lease and stabilize its development projects. As a result of these factors, BBXRE is experiencing increased difficulties in identifying development opportunities that meet its investment criteria. In addition to enhancing its resources dedicating to identifying new opportunities, BBXRE is also evaluating the expansion of its investment pipeline through the acquisition of existing multifamily apartment communities pursuant to a "value add" strategy, as discussed above, and the entry into one or more new geographic markets.

Results of Operations

Information regarding the results of operations for BBX Capital Real Estate is set forth below (dollars in thousands):

	For the Years Ended December 31,			Change 2019 vs	Change 2018 vs
	2019	2018	2017	2018	2017
Sales of real estate inventory	$ 5,049	21,771	—	(16,722)	21,771
Interest income	750	2,277	2,225	(1,527)	52
Net gains on sales of real estate assets	13,616	4,563	1,451	9,053	3,112
Other	1,619	2,541	4,997	(922)	(2,456)
Total revenues	$21,034	31,152	8,673	(10,118)	22,479
Cost of real estate inventory sold	2,643	14,116	—	(11,473)	14,116
Recoveries from loan losses, net	(5,428)	(8,653)	(7,546)	3,225	(1,107)
Impairment losses	47	571	1,696	(524)	(1,125)
Selling, general and administrative expenses	9,144	9,210	11,127	(66)	(1,917)
Total costs and expenses	6,406	15,244	5,277	(8,838)	9,967
Equity in net earnings of unconsolidated joint ventures	37,898	14,194	12,541	23,704	1,653
Other income	170	112	148	58	(36)
Income before income taxes	$52,696	30,214	16,085	22,482	14,129

BBX Capital Real Estate's income before income taxes for the year ended December 31, 2019 compared to the 2018 period increased by $22.5 million, or 74.4%, primarily due to the following:

- A net increase in equity in earnings of unconsolidated joint ventures and gains on sales of real estate assets primarily associated with the sales in 2019 described above, as well as the sale of single-family homes by the Chapel Trail joint venture; partially offset by
- The recognition of a $3.1 million net gain upon the sale of a student housing complex in 2018;
- A decrease in interest income and recoveries from loan losses primarily due to the continued decline in the balance of the legacy asset portfolio, as several significant nonaccrual commercial loans were repaid in 2018; and
- A decrease in net profits from the sale of developed lots to homebuilders at the Beacon Lake Community development, as BBXRE sold 51 developed lots in 2019 and 251 in 2018.

BBX Capital Real Estate's income before income taxes for the year ended December 31, 2018 compared to 2017 increased by $14.1 million, or 87.9%, primarily due to the following:

- Net profits from the sale of 251 developed lots to homebuilders at the Beacon Lake Community development during the year ended December 31, 2018;
- Net gains on the sale of real estate primarily resulting from the sale of a student housing facility during 2018;
- A net increase in equity in earnings of unconsolidated joint ventures primarily due to the sale of the properties developed by the Addison on Millenia and Altis at Shingle Creek joint ventures, partially offset by the CC Homes Bonterra joint venture's completion of sales in its 394 single-family home community development during late 2017;
- A decrease in impairment losses on commercial land parcels; and
- An increase in recoveries from loan losses primarily resulting from a $2.9 million recovery on a commercial loan in 2018; partially offset by

- A decrease in net profits from the above mentioned student housing facility after its sale, which consists of a decrease in rental revenues and selling, general and administrative expenses associated with the property.

BBX Sweet Holdings Reportable Segment

Overview

During the fourth quarter of 2019, the Company reorganized the operating businesses in the confectionery industry that are owned by BBX Sweet Holdings, including the centralization of various management and back office activities and the management of the operations of these businesses by the Company's executive management based on the consolidated activities and results of BBX Sweet Holdings. In addition, BBX Sweet Holdings is continuing its efforts to streamline and integrate the operations of these businesses, including the manufacturing and sourcing of certain products by Las Olas Confections and Snacks for BBX Sweet Holdings' retail operations at IT'SUGAR and Hoffman's Chocolates. As a result of these organizational changes, the Company has updated its internal and external presentations of the operating results of these businesses to reflect the consolidated results of BBX Sweet Holdings.

Although BBX Sweet Holdings incurred a loss before income taxes in 2019 and may incur a loss before income taxes in 2020, the Company expected continued improvements in BBX Sweet Holdings' operating results as compared to 2018 and prior periods as a result of the implementation of its strategies, including the opening of new retail locations by IT'SUGAR and continued efforts to create efficiencies and reduce costs related to these businesses. However, the Company will continue to periodically evaluate its manufacturing operations in the confectionery industry, including whether its efforts to reduce costs are continuing to result in improved operating results, and to the extent that it decides to divest of or otherwise exit certain of these operations, the Company may recognize additional impairment charges and incur additional losses in future periods.

IT'SUGAR

Consistent with its focus on selectively opening larger stores in resort and entertainment locations which experience high traffic, IT'SUGAR invested capital in several new retail locations in 2019, including Grand Bazaar, a 6,000 square foot location in Las Vegas, Nevada that was opened in June 2019, and a 22,000 square foot, three story candy department store at American Dream, a 3 million square foot shopping and entertainment complex in New Jersey, that was opened in December 2019.

IT'SUGAR is also continuing to evaluate its current retail locations where sales volumes may give rise to early lease termination rights and the potential opportunity to renegotiate lease terms and occupancy costs. For certain underperforming locations where IT'SUGAR does not have early lease termination rights, IT'SUGAR is evaluating potential opportunities to close or sublease such locations. In certain circumstances, IT'SUGAR may determine that it is in its best interest to incur costs to exit a location if the Company believes that the closure of such locations will improve IT'SUGAR's overall operating efficiencies and profitability over the long term.

Hoffman's Chocolates

During the year ended December 31, 2019, BBX Sweet Holdings implemented various initiatives to reduce costs at Hoffman's Chocolates, including reductions in corporate personnel and the integration of certain of its management and back office activities with BBX Sweet Holdings.

Las Olas Confections and Snacks

During the year ended December 31, 2019, Las Olas Confections and Snacks significantly reduced its operating losses as a result of various strategic initiatives implemented by BBX Sweet Holdings during 2018, including the closure of a manufacturing facility in Utah and a reduction in corporate personnel and infrastructure, and various impairment losses and other costs recognized in 2018 in connection with such initiatives that did not reoccur in 2019.

Las Olas Confections and Snacks is currently focused on expanding its customer base and manufacturing and sourcing certain products for IT'SUGAR and Hoffman's Chocolates.

Results of Operations

Information regarding the results of operations for BBX Sweet Holdings is set forth below (dollars in thousands):

	For the Years Ended December 31,			Change 2019 vs	Change 2018 vs
	2019	2018	2017	2018	2017
Trade sales	$ 105,406	101,187	72,899	4,219	28,288
Cost of trade sales	(67,703)	(65,829)	(51,975)	(1,874)	(13,854)
Gross margin	37,703	35,358	20,924	2,345	14,434
Selling, general and administrative expenses	43,203	46,130	31,703	(2,927)	14,427
Total operating losses	(5,500)	(10,772)	(10,779)	5,272	7
Interest and other income	716	241	119	475	122
Interest expense	(196)	(308)	(335)	112	27
Impairment losses	(142)	(4,147)	(5,786)	4,005	1,639
Loss before income taxes	$ (5,122)	(14,986)	(16,781)	9,864	1,795
Gross margin percentage	% 35.77	34.94	28.70	0.83	6.24
SG&A as a percent of trade sales	% 40.99	45.59	43.49	(4.60)	2.10

BBX Sweet Holdings' results of operations include the results of IT'SUGAR's operations commencing on June 16, 2017, the date on which BBX Sweet Holdings acquired IT'SUGAR.

BBX Sweet Holdings' loss before income taxes for the year ended December 31, 2019 compared to the same 2018 period decreased by $9.9 million, or 65.8%, primarily due to the following:

- The recognition of impairment losses in 2018 in connection with the implementation of various strategic initiatives in 2018, as described above, and ongoing losses from BBX Sweet Holdings' businesses;
- A net decrease in selling, general and administrative expenses primarily due to the above mentioned strategic initiatives, which have resulted in lower ongoing operating costs and the recognition of severance and other expenses in 2018 that did not reoccur in 2019, partially offset by costs associated with new IT'SUGAR locations opened in 2019 and 2018, including the FAO Schweetz location in New York City, the Grand Bazaar location in Las Vegas, and the American Dream location in New Jersey; and
- A net increase in gross margin primarily due to sales from the new IT'SUGAR locations described above and improvements in Las Olas Confections and Snacks' gross margin percentage as a result of improved efficiencies in its manufacturing facility and the closure of its manufacturing facility in Utah.

BBX Sweet Holdings' loss before income taxes for the year ended December 31, 2018 compared to the same 2017 period decreased by $1.8 million, or 10.7%, primarily due to the following:

- A net increase in the loss before income taxes generated by IT'SUGAR as a result of costs and expenses associated with replacing various executives and opening new locations, as well as the operating results for 2018 reflecting seasonal operating losses that are typically incurred during the first half of the annual period which are not reflected in IT'SUGAR's operating results for 2017 due to the timing of BBX Sweet Holdings' acquisition of IT'SUGAR in June 2017;

- A net decrease in Las Olas Confections and Snacks selling, general and administrative expenses and improvements in gross margin primarily due to the above mentioned strategic initiatives; and
- A net decrease in impairment losses related to certain of BBX Sweet Holdings' businesses.

Information regarding the results of operations for IT'SUGAR is set forth below (dollars in thousands):

	For the Years Ended December 31, 2019	For the Years Ended December 31, 2018	June 16, 2017 to December 31, 2017	Change 2019 vs 2018	Change 2018 vs 2017
Trade sales	$ 85,275	79,618	46,765	5,657	32,853
Cost of trade sales	(50,748)	(46,718)	(26,639)	(4,030)	(20,079)
Gross margin	34,527	32,900	20,126	1,627	12,774
Selling, general and administrative expenses	36,521	35,404	17,594	1,117	17,810
Total operating profits	(1,994)	(2,504)	2,532	510	(5,036)
Interest and other income	286	160	66	126	94
Impairment losses	(142)	—	—	(142)	—
Interest expense	(114)	(40)	—	(74)	(40)
(Loss) income before income taxes	$ (1,964)	(2,384)	2,598	420	(4,982)
Gross margin percentage	% 40.49	41.32	43.04	(0.83)	(1.71)
SG&A as a percent of trade sales	% 42.83	44.47	37.62	(1.64)	6.85

Renin Reportable Segment

Overview

During the year ended December 31, 2019, Renin's trade sales were down compared to its trade sales in 2018. Although Renin's gross trade sales marginally increased during 2019 as compared to 2018, this increase was offset by higher volume rebates and promotional spend on customers in its retail channel. Overall, sales to retail customers, including big box retailers, continue to comprise a significant portion of Renin's customer mix, as retail, commercial, and direct installation trade sales as a percentage of total gross trade sales were 63%, 26%, and 11%, respectively, during the year ended December 31, 2019. With respect to Renin's product mix, although barn door products had been historically increasing as a percentage of its overall product mix, Renin's product mix based on gross sales within its major product categories remained relatively consistent in 2019 as compared to 2018.

Although Renin has been able to maintain its sales volumes in 2019, it is experiencing increased competition, particularly in its retail channel and related to its barn door product, which has resulted in increased pricing concessions, including volume rebates and promotional spend. As a result, Renin is currently focused on developing new, innovative products and delivering superior customer service to grow sales across all of its channels. Renin is also renewing its focus on sales to customers in its commercial and direct installation channels, in which Renin has experienced decreased or flat sales in recent years.

Although Renin's gross margins improved in 2019 as compared to 2018 partially due to the impact of certain promotions in which products were sold at low margins in 2018, Renin is experiencing increased costs on the products it sources from China as a result of tariffs levied on these products. As a result, Renin is focusing on identifying alternative sources for such products and reducing the costs of its manufactured products. Renin has also recently experienced increased interest in its manufactured products in its commercial channel, as its domestically produced products are becoming more competitive with Chinese imports as a result of tariffs.

Results of Operations

Information regarding the results of operations for Renin is set forth below (dollars in thousands):

	For the Years Ended December 31,			Change 2019 vs 2018	Change 2018 vs 2017
	2019	2018	2017		
Trade sales	$ 67,537	68,417	68,935	(880)	(518)
Cost of trade sales	(54,243)	(55,483)	(54,941)	1,240	(542)
Gross margin	13,294	12,934	13,994	360	(1,060)
Selling, general and administrative expenses	11,066	9,903	11,112	1,163	(1,209)
Total operating profits	2,228	3,031	2,882	(803)	149
Other income	153	—	—	153	—
Interest expense	(498)	(638)	(509)	140	(129)
Foreign exchange (gain) loss	(75)	68	(193)	(143)	261
Income before income taxes	1,808	2,461	2,180	(653)	281
Gross margin percentage	% 19.68	18.90	20.30	0.78	(1.40)
SG&A as a percent of trade sales	% 16.39	14.47	16.12	1.92	(1.65)

Renin's income before income taxes for the year ended December 31, 2019 compared to the same 2018 period decreased by $0.7 million, or 26.5%, primarily due to the following:

- An increase in selling, general and administrative expenses primarily due to consulting expenses related to the procurement of raw materials, severance expenses, and higher employee compensation expenses associated with the accrual of performance bonuses; and
- A decrease in trade sales primarily resulting from higher volume rebates and promotional spend on customers in Renin's retail channel; partially offset by
- An improvement in Renin's gross margin percentage which reflects improved pricing for the procurement of raw materials in 2019 and a barn door promotion to sell excess inventory in 2018 that was not repeated in 2019, partially offset by the impact of tariffs on products imported from China.

Renin's income before income taxes for the year ended December 31, 2018 compared to 2017 increased by $0.3 million, or 12.9%, primarily due to the following:

- A decrease in selling, general and administrative expenses primarily attributable to a reduction in headcount and lower consulting expenses; partially offset by
- A decrease in trade sales primarily due to the impact of lower sales to customers in its commercial and direct installation channels and higher rebates and promotional discounts, partially offset by an increase in sales to retail customers; and
- An overall decrease in the gross margin percentage primarily due to promotional discounts provided to a customer to sell excess inventory.

Other

Other in the Company's segment information includes its investments in other operating businesses, including a restaurant located in South Florida that was acquired through a loan foreclosure and an insurance agency. Income before income tax for the other businesses was $0.3 million for each of the years ended December 31, 2019 and 2018 and a net loss before income tax of $0.2 million for the year ended December 31, 2017.

Reconciling Items and Eliminations

Reconciling items and eliminations in the Company's segment information includes the following:

- New BBX Capital's corporate general and administrative expense allocation from Parent;
- Elimination of transactions between New BBX Capital's subsidiaries; and
- Interest expense capitalized in connection with real estate construction.

Corporate General and Administrative Expenses

New BBX Capital's corporate general and administrative expenses consist of a cost allocation of services provided by Parent to New BBX Capital for various support functions, including executive compensation, legal, accounting, human resources, investor relations, and executive offices. The cost allocation from Parent to New BBX Capital's for the years ended December 31, 2019, 2018, and 2017, were $20.7 million, $21.2 million, and $14.9 million, respectively. The lower cost allocation for the year ended December 31, 2017 compared to the years ended December 31, 2019 and 2018 was due to the impact of lower revenues during 2017, as IT'SUGAR was acquired in June 2017.

Provision for Income Taxes

The Company's effective income tax rate was approximately 29.0%, (96.0%), and (9.7%) during 2019, 2018 and 2017, respectively. The provision for income taxes was different than the expected federal income tax rate of 21% for the years ended December 31, 2019 and 2018 primarily due to nondeductible executive compensation and state income taxes, and for 2018, nondeductible goodwill impairments and a $2.8 million adjustment associated with the Company's completion of its analysis of its accounting for the enactment of the Tax Reform Act in December 2017. See Note 13 to New BBX Capital's audited combined carve-out financial statements for the years ended December 31, 2019, 2018 and 2017 included elsewhere in this information statement for additional information with respect to the Company's accounting for the Tax Reform Act. The benefit for income taxes was lower than the expected federal income tax rate of 35% for the year ended December 31, 2017 due to the reduction in the corporate tax rate discussed above, nondeductible executive compensation and goodwill impairments, and state income taxes.

Discontinued Operations

In September 2019, due to continuing losses at FFTRG's MOD Pizza restaurant locations and the Company's goal of streamlining its investment verticals, the Company entered into an agreement with MOD to terminate FFTRG's area development and franchise agreements. The Company disposed of its restaurant locations by transferring the assets and lease obligations to MOD or closing the restaurant locations in September 2019.

The net losses before taxes from the Company's MOD Pizza franchise operations for the years ended December 31, 2019, 2018, and 2017 were $9.4 million, $4.5 million, and $2.5 million, respectively. The net losses for the year ended December 31, 2019 included aggregate impairment losses of $6.7 million related to the transfer of the seven restaurant locations to MOD Pizza and the closure of the two restaurant locations.

The net losses in the 2018 and 2017 periods were primarily attributable to selling, general, and administrative expenses, including compensation expenses associated with store employees and operations, human resource, marketing, and finance personnel that were hired in connection with establishing initial restaurant operations, depreciation expense associated with leasehold improvements, furniture, and fixtures at restaurant locations, and costs associated with store openings and the review of potential restaurant sites. During the year ended December 31, 2018, the selling, general and administrative expenses were partially offset by sales generated from the five restaurant locations opened during 2018 and the two restaurant locations opened during the fourth quarter of 2017.

Net Income Attributable to Noncontrolling Interests

New BBX Capital's consolidated financial statements include the results of operations and financial position of IT'SUGAR, a partially-owned subsidiary in which it holds a controlling financial interest. As a result, the Company is required to attribute net income to the noncontrolling interests in this subsidiary.

Net loss attributable to noncontrolling interests during the years ended December 31, 2019, 2018, and 2017 was $0.2 million, $0.3 million, and $20,000, respectively.

Consolidated Cash Flows

A summary of our consolidated cash flows is set forth below (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Cash flows provided by (used in) operating activities	$ 22,669	11,207	(13,388)
Cash flows provided by (used in) investing activities	35,963	1,574	(39,268)
Cash flows (used in) provided by financing activities	(67,427)	(10,084)	46,974
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (8,795)	2,697	(5,682)
Cash, cash equivalents and restricted cash at beginning of period	30,082	27,385	33,067
Cash, cash equivalents and restricted cash at end of period	$ 21,287	30,082	27,385

Cash Flows provided by Operating Activities

The Company's operating cash flows increased $11.5 million during the year ended December 31, 2019 compared to the same period in 2018. The increase was primarily due to increase in operating distributions from real estate joint ventures partially offset by a decrease in proceeds from the sale of developed lots at the Beacon Lake Community development and an increase in spending on the development of real estate inventory at Beacon Lake.

The Company's operating cash flows increased $24.6 million during the year ended December 31, 2018 compared to the same period in 2017. The increase was primarily due to higher operating distributions from real estate joint ventures and the sale of real estate inventory at the Beacon Lake Community development.

Cash Flows provided by/used in Investing Activities

Cash provided by investing activities increased by $34.4 million during the year ended December 31, 2019 compared to the same period in 2018. The increase primarily reflects a $19.4 million increase in distributions from unconsolidated real estate joint ventures, $17.3 million of higher proceeds from the sale of real estate and property and equipment, and a $4.0 million net decrease in investments in unconsolidated real estate joint ventures, partially offset by a $13.1 million decrease in proceeds from net loan recoveries.

Cash provided by investing activities increased by $40.8 million during the year ended December 31, 2018 compared to the same period in 2017. The increase reflects the $58.4 million of cash paid for the Company's acquisition of IT'SUGAR in June 2017, partially offset by the acquisition of joint venture interests associated with the Altman Companies and increased expenditures for property and equipment.

Cash Flows provided by/used in Financing Activities

Cash used in financing activities increased by $57.3 million during the year ended December 31, 2019 compared to the same period in 2018. The increase was primarily the result of $65.4 million of net transfers to Parent compared to net transfers from Parent of $7.6 million during 2018. The increase in cash used from financing activities was partially offset by a $14.1 million decrease in repayments of notes payable.

Cash used in financing activities increased by $57.1 million during the year ended December 31, 2018 compared to the same period in 2017. The increase was primarily the result of a $34.4 million increase in net transfers to Parent and a $15.7 million increase in loan repayments, partially offset by a $6.6 million increase net proceeds from borrowings.

Commitments

The Company's material commitments as of December 31, 2019 included the required payments due on its, notes payable and other borrowings and commitments under non-cancelable operating leases.

The following table summarizes the contractual minimum principal and interest payments, net of unamortized discount, required on all of the Company's outstanding debt and payments required on the Company's non-cancelable operating leases by period due date as of December 31, 2019 (in thousands):

	Payments Due by Period					
	Less than 1 year	1 - 3 Years	4 - 5 Years	After 5 Years	Unamortized Debt Issuance Costs	Total
Contractual Obligations						
Notes payable and other borrowings	$ 7,017	6,842	2,279	27,422	(824)	42,736
Noncancelable operating leases	19,492	39,178	27,671	32,299	—	118,640
Total contractual obligations	26,509	46,020	29,950	59,721	(824)	161,376
Interest Obligations (1)						
Notes payable and other borrowings	2,293	3,774	3,265	20,194	—	29,526
Total contractual interest	2,293	3,774	3,265	20,194	—	29,526
Total contractual obligations	$ 28,802	49,794	33,215	79,915	(824)	190,902

(1) Assumes that the scheduled minimum principal payments are made in accordance with the table above and the interest rate on variable rate debt remains the same as the rate at December 31, 2019.

Off-balance-sheet Arrangements

New BBX Capital guarantees certain obligations of its wholly-owned subsidiaries and unconsolidated real estate joint ventures, which are not included in the contractual obligations table above, and also guarantees certain of the obligations in the above table as described in further detail in Note 16 to New BBX Capital's audited combined carve-out financial statements for the years ended December 31, 2019, 2018 and 2017 included elsewhere in this information statement.

The Company has investments in joint ventures involved in the development of multifamily apartment and townhome communities, as well as single-family master planned communities. The Company's investments in these joint ventures are accounted for under the equity method of accounting, and as a result, the Company does not recognize the assets and liabilities of these joint ventures in its financial statements. As of December 31, 2019 and 2018, the Company's investments in these joint ventures totaled $57.3 million and $64.7 million, respectively. These unconsolidated real estate joint ventures generally finance their activities with a combination of debt financing and equity. The Company generally does not directly guarantee the financing of these joint ventures, other than as described in further detail in Note 7 to New BBX Capital's audited combined carve-out financial statement for the years ended December 31, 2019, 2018 and 2017 included elsewhere in this information statement, and the Company's maximum exposure to losses from these joint ventures is its equity investment. The Company is typically not obligated to fund additional capital to its joint ventures; however, the Company's interest in a joint venture may be diluted if the Company elects not to fund a joint venture capital call.

Liquidity and Capital Resources

New BBX Capital and Subsidiaries

As of March 31, 2020, the Company had cash, cash equivalents, and short-term investments of approximately $17.6 million. Management believes that the Company has sufficient liquidity to fund operations, including anticipated working capital, capital expenditure, and debt service requirements, and respond to the COVID-19 pandemic challenges for the foreseeable future, subject to mitigation and cost reduction efforts and management's determination of whether and/or the extent to which it will fund the operations and commitments of its subsidiaries. The Company has taken various mitigating measures to manage through the current challenges resulting from the COVID-19 pandemic, as discussed in this report, including cost and capital expenditure reductions at its subsidiaries. However, management is continuing to evaluate the potential operating deficits and liquidity requirements of its subsidiaries as a result of the impact of the COVID-19 pandemic and may determine not to provide additional funding or capital to subsidiaries whose operations they believe may not be sustainable.

New BBX Capital's principal sources of liquidity have historically been its available cash and short-term investments, distributions from unconsolidated real estate joint ventures, proceeds received from lot sales at the Beacon Lake Community development, and sales of real estate. However, as described below, the COVID-19 pandemic has impacted or otherwise resulted in uncertainty regarding many of these sources of liquidity, and New BBX Capital believes that its primary source of liquidity for the foreseeable future will be its available cash, cash equivalents, and short-term investments.

While BBXRE has historically provided liquidity to New BBX Capital through various sources, including distributions from unconsolidated real estate joint ventures and proceeds from real estate sales, the effects of the pandemic, including the impact on general economic conditions and real estate and credit markets, have increased the uncertainty regarding the expected timing and pricing of future sales of multifamily apartment developments, single-family homes, and developed lots at BBXRE's Beacon Lake Community. As a result, BBXRE is not expected to provide significant liquidity to New BBX Capital for the foreseeable future.

New BBX Capital believes that its current financial condition will allow it to meet its anticipated near-term liquidity needs. New BBX Capital may also seek additional liquidity from outside sources, including traditional bank financing, secured or unsecured indebtedness, or the issuance of equity and/or debt securities. However, these alternatives may not be available to New BBX Capital on attractive terms, or at all. The inability to raise funds through the sources discussed above would have a material adverse effect on the Company's business, results of operations, and financial condition.

Anticipated and Potential Liquidity Requirements

New BBX Capital has historically used its available funds for operations and general corporate purposes (including working capital, capital expenditures, debt service requirements, and the Company's other commitments described above), to make additional investments in real estate opportunities, operating businesses, or other opportunities. While New BBX Capital may continue to evaluate opportunistic investments, New BBX Capital currently expects to use its available funds primarily for operations and general corporate purposes and to fund operating deficits resulting from the COVID-19 pandemic. However, as discussed above, New BBX Capital's management intends to evaluate the operating deficits and liquidity requirements of its subsidiaries as a result of the impact of the COVID-19 pandemic on operations and general economic conditions and may make a determination that it will not provide additional funding or capital to certain of its subsidiaries.

In November 2018, BBXRE acquired a 50% membership interest in The Altman Companies, a joint venture between the Company and Joel Altman ("JA") engaged in the development, construction, and management of multifamily apartment communities. Although The Altman Companies generates revenues from the performance of development, general contractor, leasing, and property management services to the joint ventures that are formed to invest in the development projects that it originates, it is expected to generate profits for BBXRE and

JA primarily through the equity distributions that BBXRE and JA receive through their investment in the managing member of such joint ventures. Therefore, as the timing of such distributions to BBXRE and JA is generally contingent upon the sale or refinancing of a completed development project, it is anticipated that BBXRE and JA will be required to contribute capital to The Altman Companies for its ongoing operating costs and predevelopment expenditures, as well as to the managing member of newly formed joint ventures. At the current time, BBXRE anticipates that it will invest approximately $1.0 million to $2.0 million in The Altman Companies and related joint ventures during the remainder of 2020 relating to planned predevelopment expenditures and ongoing operating costs. Furthermore, although the COVID-19 pandemic has resulted in uncertainty in the ability of The Altman Companies to close on the capital necessary to commence the construction of new projects, BBXRE currently anticipates that it will invest approximately $8.5 million as a preferred equity investor in its Altis at Ludlam joint venture if the venture is able to close on development financing. In addition, if The Altman Companies closes on development financing for additional projects beyond Altis at Ludlam, BBXRE expects that it would be required to contribute an additional $1.25 million to ABBX Guaranty, LLC, a joint venture between BBXRE and JA that provides guarantees on the indebtedness and construction cost overruns of new real estate joint ventures formed by The Altman Companies.

Pursuant to the operating agreement of The Altman Companies, BBXRE will also acquire an additional 40% equity interest in The Altman Companies from JA for a purchase price of $9.4 million in January 2023, while JA can also, at his option or in other predefined circumstances, require BBXRE to purchase his remaining 10% equity interest in The Altman Companies for $2.4 million. In addition, in certain circumstances, BBXRE may acquire the 40% membership interests in Altman-Glenewinkel Construction that are not owned by the Altman Companies for a purchase price based on prescribed formulas in the operating agreement of Altman-Glenewinkel Construction.

In addition to BBXRE's anticipated investments in The Altman Companies and related joint ventures, BBXRE has entered into two real estate joint ventures, CCB Miramar, LLC and L03/212 Partners, LLC, in which the Company expects to contribute additional capital of approximately $3.4 million during the next twelve to twenty-four months based on the current plans and estimates associated with the related development projects.

It is currently expected that, for the foreseeable future following the spin-off, New BBX Capital will retain any earnings for use in the operation of its business. Accordingly, New BBX Capital does not anticipate paying any cash dividends on its common stock for the foreseeable future. Future declaration and payment of cash dividends with respect to the Company's common stock, if any, will be determined in light of the then-current financial condition of the Company, its operating and capital needs, its debt covenants, and other factors deemed relevant by the board of directors.

The Company has indebtedness which is summarized in Commitments above. The Company's indebtedness, including any future debt incurred by the Company, may make it more vulnerable to downturns in the economy and may subject the Company to covenants or restrictions on its operations and activities.

Credit Facilities with Future Availability

As of March 31, 2020, New BBX Capital and certain of its subsidiaries had the following credit facilities with future availability, subject to eligible collateral and the terms of the facilities, as applicable.

Toronto-Dominion Commercial Bank. In May 2017, Renin entered into a credit facility with TD Bank that was subsequently renewed in September 2019 and 2018. Under the terms and conditions of the credit facility, TD Bank agreed to provide term loans for up to $1.7 million and loans under a revolving credit facility for up to approximately $16.3 million subject to certain terms and conditions. During the first quarter of 2020, Renin received a waiver from TD Bank of its breach of the quarterly debt service coverage ratio under the facility, and the credit facility was amended to replace the existing debt service coverage ratio with an interest coverage ratio. In connection with the amendment to the credit facility, Renin repaid the outstanding balance of the term loan with borrowings from the revolving credit facility. As of March 31, 2020, the outstanding amounts under the revolving credit facility was $10.5 million with an effective interest rate of 4.72%.

Banc of America Leasing & Capital Equipment Note and Bank of America Revolving Line of Credit In August 2018, IT'SUGAR entered into a revolving credit facility with Bank of America, and in September 2018, IT'SUGAR entered into a Master Loan and Security Agreement with Banc of America Leasing & Capital, LLC. As of March 31, 2020, the outstanding principal balance of the revolving credit facility and the equipment note was $4.0 million and $0.3 million, respectively, and there was no availability under the revolving credit facility. In April 2020, a wholly-owned subsidiary of BBX Capital Real Estate purchased the revolving credit facility and equipment note from the respective lenders for the outstanding principal balance of the loans plus accrued interest.

Community Development District Obligations. In connection with the Company's development of the Beacon Lakes Community, The Meadow View at Twin Creeks CDD (the "Beacon Lakes CDD") was formed by St. Johns County, Florida to use bond financing to fund the construction of infrastructure improvements at the Beacon Lakes Community. The Beacon Lakes CDD issues bonds periodically to fund ongoing construction of the Beacon Lakes Community, and in May 2020, the Beacon Lakes CDD issued $8.6 million of CDD bonds. The CDD bond obligations issued in May 2020 have fixed interest rates ranging from 4.25% to 5.38% and mature at various times during the years 2026 through 2051. The Company at its option has the ability to repay a specified portion of the bonds at the time that it sells developed lots in the Beacon Lakes Community.

As of March 31, 2020, New BBX Capital and certain of its subsidiaries had availability of approximately $2.7 million under the above revolving lines of credit, subject to eligible collateral and the terms of the facilities, as applicable. However, the effects of the COVID-19 pandemic on the Company's operations could impact its ability to remain in compliance with the financial covenants under these facilities and limit the extent of availability under the facilities in future periods.

As of March 31, 2020, Parent held directly approximately $137.8 million of cash and cash equivalents. In connection with the spin-off, Parent will contribute to New BBX Capital all of Parent's cash and cash equivalents held directly by it other than the cash and cash equivalents of Bluegreen Vacations, any special cash dividend paid by Bluegreen prior to the spin-off and $25 million which will be retained by Parent to fund its continuing obligations and operations.

In addition to a cash contribution, Parent will also enter into a $75 million promissory note in favor of New BBX Capital. Amounts outstanding under the note will accrue interest at a rate of 6% per annum. The note will require payments of interest only on a quarterly basis. It is also anticipated that payments may be deferred at the option of Parent, with amounts deferred to accrue interest at a cumulative, compounded rate of 8% per annum. All outstanding amounts under the note will become due and payable in five years or upon certain events.

Critical Accounting Policies

Management views critical accounting policies as accounting policies that are important to the understanding of our financial statements and also involve estimates and judgments about inherently uncertain matters. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated statements of financial condition and assumptions that affect the recognition of income and expenses on the consolidated statements of operations and comprehensive income (loss) for the periods presented. On an ongoing basis, management evaluates its estimates, including, but not limited to, those that relate to the determination of: the recognition of revenue; the recovery of the carrying value of real estate inventories; the fair value of assets measured at, or compared to, fair value on a non-recurring basis, such as assets held for sale, intangible assets, other long-lived assets and goodwill; the valuation of assets and liabilities assumed in the acquisition of a business; the amount of deferred tax valuation allowance and accounting for uncertain tax positions; and the estimate of contingent liabilities related to litigation and other claims and assessments. The accounting policies that we have identified as critical accounting policies are: the recognition of revenue; evaluating goodwill for impairment; and evaluating long-lived assets and definite lived intangible assets for impairment. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions and conditions. If actual results significantly differ from management's estimates, our results of operations and financial condition could be materially and adversely impacted.

Revenue Recognition—Variable Consideration on Trade Sales and Sales of Real Estate Inventory

The Company's trade sales are generally sold with a right of return, and the Company may provide other sales credits or incentives, such as volume discounts or rebates. Additionally, the Company is entitled to contingent consideration on certain single-family lot sales to builders. These programs are accounted for as variable consideration when determining the amount of revenue to recognize upon transfer of control. Estimates of contingent consideration, returns, and incentives are calculated using the expected value method and updated at the end of each reporting period when additional information becomes available. Variable consideration estimates are based on historical experience adjusted for current economic conditions and sales trends. These estimates rely on assumptions and judgments regarding issues where the outcome is unknown, and actual results or values may differ significantly from these estimates. A significant change in the timing of revenue recognized could occur if actual variable consideration is significantly different than our estimates.

Evaluating Goodwill for Impairment

The process of evaluating goodwill for impairment involves the determination of the fair value of the Company's reporting units. Inherent in such fair value determinations are certain judgments and estimates relating to future cash flows, including the Company's interpretation of current economic indicators and market valuations, and assumptions about the Company's strategic plans with regard to its operations. Due to the uncertainties associated with such evaluations, actual results could differ materially from such estimates. The Company's goodwill as of December 31, 2019 was $37.2 million, $35.2 million of which related to the IT'SUGAR reporting unit. Based on its annual impairment test as of December 31, 2019, the Company determined that the goodwill assigned to its reporting units, including the IT'SUGAR reporting unit, was not impaired at December 31, 2019. However, due to the continuing adverse impacts of the COVID-19 pandemic, in connection with its impairment testing as of March 31, 2020, the Company estimated that the fair value of the IT'SUGAR reporting unit was $27.3 million as of March 31, 2020 and recognized a goodwill impairment loss of $20.3 million during the quarter ended March 31, 2020 based on the excess of the carrying amount of the IT'SUGAR reporting unit over its estimated fair value. In addition to the IT'SUGAR reporting unit, as of March 31, 2020, the Company estimated the fair value of certain of its other reporting units with goodwill and recognized goodwill impairment losses of $2.1 million during the quarter ended March 31, 2020 related to these reporting units. The decline in the fair value of these reporting units from December 31, 2019 primarily resulted from the effects of the COVID-19 pandemic on these businesses. To the extent that conditions or performance do not improve, we may recognize additional goodwill impairment charges in future periods.

Evaluating Long-lived Assets and Definite-lived Intangible Assets for Impairment

The Company evaluates its long-lived assets and definite-lived intangible assets, including property and equipment, and real estate held-for-investment, for potential impairment whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable. With respect to property and equipment associated with new retail locations, the Company assesses whether there are indicators of impairment upon the earlier of the stabilization of the applicable retail location or twelve to eighteen months following the opening of the location (depending on the maturity of the retail brand). The carrying amounts of assets are not considered recoverable when the carrying amounts exceed the undiscounted cash flows estimated to be generated by those assets. As the carrying amounts of these assets are dependent upon estimates of future earnings that they are expected to generate, these assets may be impaired if cash flows decrease significantly or do not meet expectations, in which case they would be written down to their fair value. The estimates of useful lives and expected cash flows require us to make significant judgments regarding future periods that are subject to a number of factors, many of which may be beyond our control. As of December 31, 2019, the Company had capitalized in excess of $9.2 million of property and equipment associated with new IT'SUGAR retail locations which had not stabilized or had not been open for twelve to eighteen months. As a result of the Company's testing of its long-lived assets for impairment as of March 31, 2020, the Company recognized impairment losses of $4.9 million during the quarter ended March 31, 2020 related primarily to leasehold improvements and right-of-use assets associated with certain of IT'SUGAR's retail locations. The recognition of these impairment losses primarily resulted from the effects of the COVID-19 pandemic on the estimated cash flows expected to be generated by the related assets. To the extent that conditions or performance do not improve, we may recognize additional impairment charges associated with these locations and assets in future periods.

Recent Accounting Pronouncements

See Note 2 to the Company's audited combined carve-out financial statements for the years ended December 31, 2019, 2018 and 2017 for a discussion of recently adopted and recently issued accounting pronouncements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

Market risk is defined as the risk of loss arising from adverse changes in market valuations resulting from interest rate risk, foreign currency exchange rate risk, commodity price risk and equity price risk. New BBX Capital's primary market risk is equity price risk, interest rate risk and commodity price risk.

New BBX Capital's real estate assets market risk consists primarily of equity pricing risk and secondarily interest rate risk. New BBX Capital's real estate assets are investments in unconsolidated real estate companies, real estate held-for-investment or held-for-sale and real estate inventory. New BBX Capital's financial condition and earnings are affected by changes in real estate values in the markets where the real estate or real estate collateral is located and changes in interest rates which affects the affordability of real estate. As a result, there is exposure to equity pricing and interest rate risk in the real estate market.

New BBX Capital's results of operations are subject to foreign currency exchange risk of the U.S. dollar compared to the Canadian dollar though its ownership of Renin. Renin's assets, liabilities, revenue and expenses that are denominated in foreign currencies will be affected by changes in the exchange rates between the U.S. dollar and the Canadian dollar. As of March 31, 2020, New BBX Capital has not entered into any foreign exchange forward contracts as hedges against foreign currency exchange risk.

New BBX Capital is affected by interest rates, which are subject to the influence of economic conditions generally, both domestic and foreign, and also to the monetary and fiscal policies of the United States and its agencies, particularly the Federal Reserve. The nature and timing of any changes in such policies or general economic conditions and their effect on the Company and its subsidiaries are unpredictable.

As of March 31, 2020, New BBX Capital had fixed interest rate debt of approximately $27.4 million and floating interest rate debt of approximately $14.5 million. The floating interest rates are subject to floors and are generally based either upon the prevailing prime or LIBOR rates. For floating rate financial instruments, interest rate changes generally do not affect the market value of the debt, but do impact earnings and cash flows relating to the debt, assuming other factors are held constant. Conversely, for fixed rate financial instruments, interest rate changes affect the market value of the debt but do not impact earnings or cash flows relating to the debt, assuming other factors are held constant.

New BBX Capital is subject to commodity pricing risk in connection with its Renin and BBX Sweet Holdings operating businesses. Commodity price increases or decreases ultimately result in corresponding changes in raw material prices which could impact our financial condition and results of operations. We have not in the past entered into, and do not currently have any plans to enter into, commodity futures and options contracts to reduce our commodity pricing risk.

To the extent inflationary trends, tightened credit markets or other factors affect interest rates, New BBX Capital's debt service costs may increase. In the event of tightened credit markets, there may be a significant tightening of availability under our existing lines, we may be unable to renew our lines of credit or obtain new facilities. As a result, instability or volatility in the financial markets restricting the availability of credit, including any tightening of the credit markets in connection with the recent coronavirus outbreak, may adversely impact New BBX Capital's business, results of operations, liquidity, or financial condition.

Impact of Inflation

The financial statements and related financial data and notes presented herein have been prepared in accordance with GAAP, which requires the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation.

New BBX Capital believes that inflation and changing prices have had and may in the future have a material impact on its revenues and results of operations. Furthermore, while increases in real estate construction and development costs may result in increases in rental rates and real estate sales prices, rental rates and sales prices may not increase commensurate with the increase in costs or they may decrease, and increased construction costs may have a material adverse impact on gross margin. In addition, inflation is often accompanied by higher interest rates which could have a negative impact on consumer demand and the costs of financing activities. Rising interest rates as well as increased materials and labor costs may reduce margins.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Review, Approval or Ratification of Related Party Transactions

New BBX Capital will have in place a policy for the review and approval of transactions in which New BBX Capital is to be a participant, where the amount involved exceeds or is expected to exceed $120,000 annually, and in which any of New BBX Capital's directors or executive officers, or any of their immediate family members, will have a direct or indirect material interest. Any such related party transaction is to be for the benefit of New BBX Capital and upon terms no less favorable to New BBX Capital than if the related party transaction was with an unrelated party.

It is expected that New BBX Capital will delegate to its Nominating/Corporate Governance Committee the review and approval of related party transactions relating to directors or executive officers, or their immediate family members, other than those presenting issues regarding financial or accounting matters, the review and approval of which is expected to be delegated to the Audit Committee. In reviewing related party transactions, the Nominating/Corporate Governance Committee or the Audit Committee, as applicable, will evaluate and consider the terms of the related party transaction, including an assessment of the arms-length nature of the terms, and such other factors that it deems appropriate with respect to the transaction.

Related Party Transactions and Relationships

It is expected that Alan B. Levan, John E. Abdo and Jarett Levan will be deemed to control New BBX Capital following the spin-off by virtue of their collective ownership of shares expected to represent approximately 78.2% of the total voting power of New BBX Capital's Class A Common Stock and Class B Common Stock following the spin-off. It is further expected that Messrs. Alan Levan, Abdo, Jarett Levan and Wise and Norman H. Becker are expected to serve as directors of both Parent and New BBX Capital following the spin-off.

New BBX Capital and its subsidiaries are parties to an Agreement to Allocate Consolidated Income Tax Liability and Benefits with Parent and its other subsidiaries. Under the agreement, the parties calculate their respective income tax liabilities and attributes as if each of them was a separate filer. If any tax attributes are used by another party to the agreement to offset its tax liability, the party providing the benefit will receive an amount for the tax benefits realized. For the year ended December 31, 2019, Renin paid Parent $1.0 million pursuant to the tax sharing agreement. As of December 31, 2019, $2.8 million was due from New BBX Capital to Parent under the tax sharing agreement. The tax sharing agreement will be terminated with respect to BBX Capital and its subsidiaries in connection with the spin-off.

For the year ended December 31, 2019, New BBX Capital and its subsidiaries reimbursed Parent for its provision of management advisory and employer provided medical insurance in the amount of $621,000, which was Parent's cost of providing the services.

For the year ended December 31, 2019, New BBX Capital and its subsidiaries received $774,000 in consideration for its provision of risk management consulting services to Parent and Bluegreen Vacations.

Certain of New BBX Capital's affiliates, including its executive officers, have independently made investments with their own funds in investments that New BBX Capital has sponsored or in which New BBX Capital holds investments.

In addition to the foregoing, see the section of this information statement entitled "The Spin-Off—Relationship Between New BBX Capital and Parent" for a description of the agreements expected to be entered into between Parent and New BBX Capital in connection with the spin-off which set forth the terms and conditions of the separation of the businesses of Parent between Parent and New BBX Capital and will govern various ongoing arrangements between Parent and New BBX Capital upon completion of the spin-off.

MANAGEMENT

Directors and Executive Officers Following the Spin-Off

It is currently expected that Parent's executive officers and directors will serve as New BBX Capital's executive officers and directors following the spin-off in the position(s) set forth in the table below. The following table lists the names and ages of these individuals, and their expected position(s) with New BBX Capital.

Name	Age	Position
Alan B. Levan	75	Chairman
John E. Abdo	76	Vice Chairman
Jarett S. Levan	46	Chief Executive Officer, President and Director; Chief Executive Officer, BBX Sweet Holdings
Seth M. Wise	50	Executive Vice President and Director; President, BBX Capital Real Estate; Co-Chief Executive Officer, The Altman Companies
Raymond S. Lopez	45	Executive Vice President, Chief Financial Officer and Chief Risk Officer
Norman H. Becker	82	Director
Andrew R. Cagnetta, Jr.	55	Director
Steven M. Coldren	72	Director
Darwin Dornbush	90	Director
Gregory A. Haile	42	Director
Willis N. Holcombe	74	Director
Joel Levy	80	Director
William Nicholson	74	Director
Anthony P. Segreto	70	Director
Neil Sterling	68	Director

The following additional information is provided for each of the above-named individuals. Our executive officers will be appointed by, and serve at the discretion of, our Board of Directors. Except as set forth below, there is no family relationship between any of the individuals expected to serve as directors or executive officers of New BBX Capital.

Alan B. Levan formed the I.R.E. Group (predecessor to Parent) in 1972. From 1978 until December 2015, he served as Chairman, Chief Executive Officer and President of Parent or its predecessors. During February 2017, Mr. Alan Levan was reappointed as Parent's Chairman and Chief Executive Officer and he continues to serve in such capacities. From December 2015 until his reappointment as Parent's Chairman and Chief Executive Officer during February 2017, Mr. Alan Levan served as Founder and strategic advisor to Parent's Board of Directors. Mr. Alan Levan has also served as Chairman of the Board of Bluegreen Vacations since May 2017 and from May 2002 to December 2015. In addition, effective January 1, 2020, Mr. Alan Levan was appointed Chief Executive Officer and President of Bluegreen Vacations. From May 2015 until February 2017, he served Bluegreen Vacations in a non-executive capacity. Bluegreen Vacations is a publicly traded company with common stock listed on the New York Stock Exchange (the "NYSE"). Parent currently holds approximately 93% of Bluegreen Vacations' outstanding common stock. From 1994 until December 2015, Mr. Alan Levan was also Chairman and Chief Executive Officer of BCC, which merged with and into a wholly owned subsidiary of Parent during December 2016 (the "BCC Merger"). He also served as Founder and strategic advisor to the Board of Directors of BCC during that time and currently serves as its Chairman and Chief Executive Officer. In addition, Mr. Alan Levan served as Chairman of BankAtlantic, BCC's former federal savings bank subsidiary, from 1987 until July 2012 when BCC sold BankAtlantic to BB&T Corporation ("BB&T"). Mr. Alan Levan also served as a director of Benihana Inc. ("Benihana") until August 2012. Parent had a significant investment in Benihana until August 2012 when Benihana was acquired by Safflower Holdings Corp. We believe that Mr. Alan Levan is a strong operating executive and that his proven leadership skills will enhance us and our Board of Directors. We also believe that Mr. Alan Levan, as our Chairman, will provide our Board of Directors with critical insight regarding our business and prospects. Mr. Alan Levan is the father of Jarett S. Levan, who is expected to serve as Chief Executive Officer, President and a director of New BBX Capital and Chief Executive Officer of BBX Sweet Holdings.

John E. Abdo has served as Vice Chairman of Parent since 1993 and Vice Chairman of BCC since 1994. He has also served as Vice Chairman of the Board of Bluegreen Vacations since 2002, except for the period from December 2015 until August 2017, during which time he served as Acting Chairman of the Board of Bluegreen Vacations. Mr. Abdo served as Vice Chairman of BankAtlantic from 1987 until the completion of the sale of BankAtlantic to BB&T during July 2012. Mr. Abdo is also President of Abdo Companies, Inc., a member of the Board of Directors of the Performing Arts Center Authority ("PACA") and the former 20-year President, and current member of the Investment Committee and Finance Committee, of the Broward Performing Arts Foundation. Mr. Abdo also served as a director of Benihana until August 2012, including serving as Vice Chairman of the Board of Benihana from 2009 through August 2012. We believe that, based on his extensive experience as part of the Florida business community and his knowledge of our business and affairs, we will benefit from Mr. Abdo's contributions to our Board of Directors. We also believe that Mr. Abdo's real estate background will enable him to provide additional knowledge and perspective to our Board of Directors.

Jarett S. Levan serves as President of Parent. From December 2015 to February 2017, he also served as Acting Chairman and Chief Executive Officer of Parent. He has served as a member of Parent's Board of Directors since September 2009 and was Executive Vice President of Parent from April 2011 until December 2015. Since August 2017, Mr. Jarett Levan has served as a director of Bluegreen Vacations. He is also the President of BCC, and served as its Acting Chairman and Chief Executive Officer from December 2015 until the completion of the BCC Merger in December 2016. Mr. Jarett Levan also served as a director of BCC since 1999 and was the Chief Executive Officer and President of BankAtlantic from January 2007 until July 2012 when BankAtlantic was sold to BB&T. Mr. Jarett Levan also serves as a director of Business for the Arts of Broward, the Broward Center for the Performing Arts, the Greater Fort Lauderdale Alliance, the Broward Workshop, the Broward College Foundation and is a member of the Ambassadors Board of Nova Southeastern University. We believe that Mr. Jarett Levan's operating and management experience, and his knowledge of our business, will allow him to provide insight to our Board of Directors with respect to our business, affairs and prospects. Mr. Jarett Levan is the son of Alan B. Levan, who is expected to serve as our Chairman.

Seth M. Wise has served as a director and Executive Vice President of Parent since September 2009. Mr. Wise has also served as Executive Vice President of BCC since August 2012 and as a director of Bluegreen Vacations since August 2017. In addition, since July 2005, Mr. Wise has served as President of Woodbridge Holdings Corporation (including its predecessor, Woodbridge Holdings, LLC) ("Woodbridge") after serving as its Executive Vice President since September 2003. He also previously was Vice President of Abdo Companies, Inc. We believe that Mr. Wise's real estate-related experience and background will enhance our Board of Directors' knowledge with respect to the real estate industry and that our Board will benefit from the insight he brings with respect to our operations and investments.

Raymond S. Lopez has served as Executive Vice President, Chief Financial Officer and Chief Risk Officer of Parent since March 2015. In addition, Mr. Lopez was appointed Executive Vice President, Chief Financial Officer and Treasurer of Bluegreen Vacations during September 2019 and Chief Operating Officer of Bluegreen Vacations during November 2019. Prior to joining Parent in March 2015, Mr. Lopez served as an officer of Bluegreen Vacations. He joined Bluegreen Vacations as its Controller in 2004 and was promoted to Chief Accounting Officer and Vice President of Bluegreen Vacations in 2005 and to Senior Vice President of Bluegreen Vacations in 2007. Prior to joining Bluegreen Vacations, Mr. Lopez worked in various capacities at Office Depot, Inc. and Arthur Andersen LLP. Mr. Lopez is a Certified Public Accountant. Since March 2015, Mr. Lopez has also served as Chief Financial Officer of BCC.

Norman H. Becker was appointed to Parent's Board of Directors in connection with the completion of the BCC Merger during December 2016 after serving as a director of BCC since 2013. Mr. Becker is currently, and has been for more than ten years, self-employed as a Certified Public Accountant. Mr. Becker was the Chief Financial Officer and Treasurer of Proguard Acquisition Corp. as well as a member of its Board of Directors until his resignation from such positions during June 2012. Mr. Becker was previously a partner with Touche Ross & Co., the predecessor of Deloitte & Touche LLP, for more than ten years. He has served as a director of Bluegreen Vacations since 2003. He also served as a director of Benihana until August 2012. We believe that Mr. Becker's business, financial and accounting expertise will allow him to provide valuable insight to our Board of Directors and that his accounting and financial knowledge will make him a valuable resource for our Audit Committee.

Andrew R. Cagnetta, Jr. has served as a director of Parent since 2018. Mr. Cagnetta is the Chief Executive Officer of Transworld Business Advisors, LLC, an international business brokerage firm headquartered in West Palm Beach, Florida. We believe that Mr. Cagnetta will be a valuable asset to our Board of Directors based on his understanding of, and connections in, the South Florida business market and his knowledge and experience with respect to business acquisitions and sales, including developments and trends with respect thereto, and other business and financial matters generally.

Steven M. Coldren was appointed to Parent's Board of Directors in connection with the completion of the BCC Merger during December 2016 after serving as a director of BCC or its predecessor since 1986. Mr. Coldren is the President/Founder of Business Information Systems, Inc., a distributor of commercial recording systems since 1982. Until 2004, Mr. Coldren was also Chairman of Medical Information Systems, Corp., a distributor of hospital computer systems. We believe that Mr. Coldren's business and financial experience as the President/Founder of Business Information Systems, Inc. and Chairman of Medical Information Systems Corp., combined with his knowledge of our business as a consequence of his long history of service as a director of Parent, will be valuable to our Board of Directors.

Darwin Dornbush has served as a director of Parent since 2009. Mr. Dornbush is an attorney in private practice. He served as a partner in the law firm of Dornbush Schaeffer Strongin & Venaglia, LLP from 1964 until January 2015. He also served as Secretary of Cantel Medical Corp., a healthcare company, until 2010 and as a director of that company until 2009. In addition, Mr. Dornbush served as a member of the Board of Directors of Benihana from 1995 through 2005 and again from 2009 through January 2012. From 1983 until 2008, he served as Secretary of Benihana and its predecessor. We believe that our Board of Directors will benefit from Mr. Dornbush's experience in legal and business matters gained from his career as a practicing attorney and his experience serving on public company boards.

Gregory A. Haile was appointed to Parent's Board of Directors during October 2019. Mr. Haile has served as the President of Broward College since July 1, 2018. From September 2011 to June 2018, he was the General Counsel and Vice President for Public Policy and Government Affairs for Broward College. Prior to joining Broward College, Mr. Haile was an attorney in private practice. We believe that Mr. Haile will provide valuable input and contributions to our Board based on, among other things, his leadership experience, relationships within and knowledge of the South Florida community, and significant history of board and committee service.

Willis N. Holcombe was appointed to Parent's Board of Directors in connection with the completion of the BCC Merger during December 2016 after serving as a director of BCC since 2003. Dr. Holcombe served as the Chancellor of the Florida College System from October 2007 until his retirement from that position in November 2011 and as interim President of Florida State College at Jacksonville from January 2013 through December 2013. He previously served as the President of Broward Community College from January 1987 until January 2004, as well as interim President from November 2006 to July 2007. Dr. Holcombe also served as a director on the Florida Prepaid College Board from January 2008 through November 2011. We believe that Dr. Holcombe's academic background and management acumen, including his previous service as Chancellor of the Florida College System, give him a unique perspective to provide meaningful insight to our Board of Directors and that we will also benefit from Dr. Holcombe's knowledge of, and relationships within, the South Florida community.

Joel Levy has served as a director of Parent since 2009. Mr. Levy is the Vice Chairman of Adler Group, Inc., a commercial real estate company. He served as President and Chief Operating Officer of Adler Group from

1984 through 2007. Mr. Levy also serves as President and Chief Executive Officer of JLRE Consulting, Inc. and is a Certified Public Accountant. We believe that Mr. Levy's experience relating to the real estate industry gained from his executive positions at Adler Group, Inc. and JLRE Consulting, Inc. will enable him to provide meaningful insight to our Board of Directors and that, based on his finance and accounting background, Mr. Levy will be able to make important contributions to our Audit Committee.

William Nicholson has served as a director of Parent since 2009. Since 2010, Mr. Nicholson has served as a principal of Heritage Capital Group, an investment banking firm. He is currently Chief Compliance Officer of Heritage Capital Group. Mr. Nicholson also served as a principal of Heritage Capital Group from December 2003 through March 2009. In addition, since 2004, Mr. Nicholson has served as President of WRN Financial Corporation. He was also the Managing Director of BSE Management, LLC from March 2009 through April 2010. We believe that, because of Mr. Nicholson's extensive knowledge of the capital and financial markets and broad experience working with the investment community, Mr. Nicholson will provide important insight to our Board of Directors on financial issues, and that the Board will benefit from the expertise that Mr. Nicholson has as the Chief Compliance Officer for Heritage Capital Group, a FINRA-registered broker-dealer.

Anthony P. Segreto was appointed to Parent's Board of Directors in connection with the completion of the BCC Merger during December 2016 after serving as a director of BCC since 2012 and an advisory director of BCC from 2009 until 2012. Mr. Segreto also served as a consultant to BankAtlantic from October 2009 until the completion of the sale of BankAtlantic to BB&T during July 2012. Mr. Segreto was an integral part of the South Florida NBC news team for 40 years where he was a well- respected reporter and anchor for both sports and news. He has also served on the Boards of a number of nonprofit organizations, including as a member of the Board of Governors of the Huizenga School of Business and Entrepreneurship and the Community Foundation of Broward. We believe that we will benefit from Mr. Segreto's recognition, relationships and community involvement in Florida, as well as his business acumen.

Neil Sterling has served as a director of Parent since 2003. Mr. Sterling has been the principal of The Sterling Resources Group, Inc., a business development consulting firm, since 1998. He is also the Founder and Chief Executive Officer of SRG Technology, LLC, a software development company. We believe that, as a result of his experience as an executive and business consultant and his resulting exposure to, and knowledge of, numerous companies and industries, Mr. Sterling will be able to bring strategic insight to our Board of Directors. In addition, we believe that he will provide a valuable perspective to our Board resulting from his not-for-profit services as a former member of the Broward County School Board, Founding Chairperson of PACA, and member of the Florida Ethics Commission, among other charitable and not-for-profit services.

Board of Directors Composition

Our Bylaws provide that our Board of Directors will consist of no less than three or more than sixteen directors, and for each director to serve for a term expiring at our next annual meeting of shareholders. The specific number of directors is set from time to time by resolution of the Board. It is expected that our Board of Directors will set the number of directors comprising the Board immediately following the spin-off at fourteen directors. Our directors will hold office until their successors have been duly elected and qualified or until the earlier of their death, resignation or removal. An election of directors by our shareholders will be determined by plurality vote.

Director Independence

While it may not be required that our Board of Directors be comprised of a majority of independent directors, based on current transactions and relationships, it is expected that Norman H. Becker, Andrew R. Cagnetta, Jr., Steven M. Coldren, Darwin Dornbush, Gregory Adam Haile, Willis N. Holcombe, Joel Levy, William Nicholson, Anthony P. Segreto and Neil Sterling, who together would comprise a majority of our Board of Directors and each of whom has been determined to be an "independent" director of Parent under the listing standards of the NYSE and applicable SEC rules and regulations, will qualify as independent directors for purposes of serving on our Board. We expect to make our determination of director independence using the definition of "independence" set forth in listing standards of the NYSE. In addition, it is expected that, to assist it in making its independence determinations, our Board of Directors will adopt the following categorical standards of relationships that, in our Board's opinion, will not constitute material relationships that would impair a director's independence: (i) serving on third party Boards of Directors, including Parent's Board of Directors, with other members of our Board; (ii) payments or charitable gifts by us to entities with which a director is an executive officer or employee where such payments do not exceed the greater of $1 million annually or 2% of such entity's consolidated gross revenues for the applicable year; and (iii) investments by directors in common with each other or us. In addition, among the relationships and transactions expected to be reviewed by our Board, it is expected that our Board will consider Mr. Becker's service on the Board of Directors of Bluegreen Vacations, and that Business Information Systems, Inc., a company of which Mr. Coldren is the President leases office space from Abdo Companies, Inc., of which John E. Abdo is President. Prior to its expansion in 2019, the lease covered 4,000 square feet and provided for annual rent of $84,000. During 2019, the lease was expanded to cover a total approximately 6,000 square feet and the annual rent was increased to $140,000, which is purported to be the current market rate. Further, Gregory Adam Haile has served as the President of Broward College since July 2018 after serving as its General Counsel and Vice President for Public Policy and Government Affairs since September 2011 Mr. Haile is also a member of the Board of Directors of the Broward College Foundation. During 2019, Parent made contributions of $10,000 to each of Broward College and the Broward College Foundation. Such relationships are not expected to constitute material relationships that would impair the applicable director's independence.

Board Committees

Following the spin-off, the standing committees of our Board will include an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee, each as further described below.

Audit Committee

We will have a separately-designated Audit Committee. The members of the Audit Committee are expected to be Joel Levy, Chairman, Norman H. Becker, Steven M. Coldren and William Nicholson. We expect that each member of the Audit Committee will be deemed to be "financially literate" and "independent," as determined in accordance with applicable rules and regulations, and that Messrs. Levy and Becker will be determined to be "audit committee financial experts," as defined under Item 407 of Regulation S-K promulgated by the SEC.

The Audit Committee's responsibilities will include, among other things, appointing, retaining, overseeing and determining the compensation and services of our independent auditors, overseeing the quality and integrity of our financial statements and related disclosures, overseeing our compliance with legal and regulatory requirements, assessing our independent auditors' qualifications, independence and performance, and monitoring the performance of our internal audit and control functions.

The responsibilities of the Audit Committee, which we anticipate will be substantially similar to the responsibilities of Parent's Audit Committee, will be more fully described in the Audit Committee charter. We will post the Audit Committee charter on our website at , and we will provide it in print, without charge, to any shareholder that requests it.

Compensation Committee

We will have a separately-designated Compensation Committee. The members of the Compensation Committee are expected to be Neil Sterling, Chairman, Steven M. Coldren, Darwin Dornbush, Willis N. Holcombe and William Nicholson. We expect that each member of the Compensation Committee will be determined to be "independent," as determined in accordance with applicable rules and regulations, and "non-employee directors" within the meaning of Section 16 of the Exchange Act.

The Compensation Committee will provide assistance to our Board in fulfilling its responsibilities relating to the compensation of our executive officers. It will review and determine the compensation of our executive officers, including our Chief Executive Officer, and administer our equity-based compensation plans. The Compensation Committee will have the authority to retain consultants to assist the Compensation Committee in its evaluation of executive compensation, as well as the authority to approve any such consultant's fees and retention terms.

The responsibilities of the Compensation Committee, which we anticipate will be substantially similar to the responsibilities of Parent's Compensation Committee, will be more fully described in the Compensation Committee charter. We will post the Compensation Committee charter on our website at , and we will provide it in print, without charge, to any shareholder that requests it.

Nominating/Corporate Governance Committee

We will have a separately-designated Nominating/Corporate Governance Committee. The members of the Nominating/Corporate Governance Committee are expected to be Steven M. Coldren, Chairman, Andrew R. Cagnetta, Jr., Anthony P. Segreto and Neil Sterling. We expect that each member of the Nominating/Corporate Governance Committee will be determined to be "independent," as determined in accordance with applicable rules and regulations.

The Nominating/Corporate Governance Committee will be responsible for assisting our Board of Directors in identifying individuals qualified to become directors, making recommendations of candidates for directorships, developing and recommending a set of corporate governance principles to our Board of Directors, overseeing the evaluation of our Board of Directors and management, overseeing the selection, composition and evaluation of Board committees, and overseeing the management continuity and succession planning process.

Our initial Board of Directors will be selected by Parent and is expected to be comprised of the individuals indicated as directors under "Directors and Executive Officers Following the Spin-Off" above. After the spin-off, the Nominating/Corporate Governance Committee will review, following the end of each fiscal year, the composition of our Board of Directors and the ability of its current members to continue effectively as directors for the upcoming fiscal year. If the Nominating/Corporate Governance Committee thinks it is in our best interest to nominate a new individual for director, or fill a vacancy on our Board of Directors which may exist from time to time, it will consider potential candidates for Board appointments who meet the criteria for selection as a nominee and have the specific qualities or skills sought.

The responsibilities of the Nominating/Corporate Governance Committee, which we anticipate will be substantially similar to the responsibilities of Parent's Nominating/Corporate Governance Committee, will be more fully described in the Nominating/Corporate Governance Committee charter. We will post the Nominating/Corporate Governance Committee charter on our website at , and we will provide it in print, without charge, to any shareholder that requests it.

Code of Business Conduct and Ethics

We expect that our Board of Directors will adopt a Code of Business Conduct and Ethics similar to Parent's Code of Business Conduct and Ethics and that will apply to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. A copy of the Code of Business Conduct and Ethics will be available on our website at and will be available in print, without charge, to any shareholder that requests it. In addition, we will post amendments to or waivers from the Code of Business Conduct and Ethics (to the extent applicable to our principal executive officer, principal financial officer or principal accounting officer) on our website.

Corporate Governance Guidelines

We expect that our Board will adopt Corporate Governance Guidelines similar to those adopted by Parent's Board of Directors. The full text of the Corporate Governance Guidelines will be posted on our website at and will be available in print, without charge, to any shareholder that requests it.

Risk Oversight

Our Board will responsible for overseeing our management and our business and affairs, which includes the oversight of risk. In exercising its oversight, our Board may allocate some areas of focus to its committees and retain other areas of focus for itself. The Audit Committee will be responsible for efforts designed to assure that the Board is provided the information and resources to assess management's handling of our approach to risk management. The Audit Committee will also have oversight responsibility for our financial risk (such as accounting, finance, internal control and tax strategy), and the Audit Committee or the full Board will receive and review, as appropriate, the reports of our internal audit group regarding the results of its annual company-wide risk assessment and internal audit plan. Reports of all internal audits will be provided to the Audit Committee. The Compensation Committee will oversee compliance with our executive compensation plans and related laws and policies. The Nominating/Corporate Governance Committee will oversee compliance with governance-related laws and policies, including our Corporate Governance Guidelines. The Board as a whole will have responsibility for overseeing management's handling of our strategic and operational risks. Throughout the year, senior management will report to the Board the risks that it believes may be material to us, with a goal of achieving serious and thoughtful Board-level attention to the nature of the material risks we face and the adequacy of our risk management processes and systems.

Executive Sessions of Non-Employee Directors

It is expected that our non-employee directors will meet at least twice per year in executive sessions of the Board in which members of management, including directors who are also employees, will not participate. We expect that Neil Sterling will be the presiding director for the executive sessions.

EXECUTIVE COMPENSATION

Historical Compensation of Named Executive Officers Prior to the Spin-Off

Set forth below is summary information regarding the compensation paid or accrued by Parent and its subsidiaries to or on behalf of Alan B. Levan, John E. Abdo, Jarett S. Levan and Seth M. Wise (who are expected to be our "Named Executive Officers," as defined under Item 402 of Regulation S-K promulgated by the SEC) and the compensation arrangements between the Named Executive Officers and Parent prior to the spin-off.

The amounts and forms of compensation reported below do not necessarily reflect the compensation that the Named Executive Officers will receive for their services on our behalf following the spin-off because historical compensation was determined by Parent's management and future compensation levels will be determined based on the compensation policies, programs and procedures to be established by our Compensation Committee.

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2019 and 2018, certain summary information concerning compensation which Parent and its subsidiaries, including Bluegreen Vacations, paid to, or accrued on behalf of, the Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Non-equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Alan B. Levan,	2019	1,500,000	3,000,000	4,044,226	—	197,930(3)	8,742,156
Chairman and CEO	2018	1,500,000	—	4,211,698	3,705,709	314,330	9,731,737
John E. Abdo,	2019	1,500,000	3,000,000	4,044,226	—	317,440(4)	8,861,666
Vice Chairman of the Board	2018	1,500,000	—	4,917,408	3,000,000	322,740	9,740,148
Jarett S. Levan	2019	900,000	1,871,011	1,011,055	—	49,468(5)	3,831,534
President	2018	900,000	—	1,229,355	1,949,349	25,766	4,104,470
Seth M. Wise,	2019	900,000	1,871,011	1,011,055	—	37,850(6)	3,819,916
EVP	2018	900,000	—	1,229,355	1,949,349	28,615	4,107,319

(1) Represents, for 2019, annual bonuses paid to the Named Executive Officers at the discretion of Parent's Compensation Committee and, for each of Mr. Jarett Levan and Mr. Wise, the cash portion of an additional discretionary bonus awarded to such executive for 2019 in lieu of restricted stock awards. $2,000,000 of Mr. Alan Levan's bonus was paid by Bluegreen Vacations.

(2) The 2019 amounts represent the grant date fair value of restricted stock awards of 965,209 shares, 965,209 shares, 241,302 shares and 241,302 shares of Parent's Class A Common Stock granted to Mr. Alan Levan, Mr. Abdo, Mr. Jarett Levan and Mr. Wise, respectively, under Parent's Amended and Restated 2014 Incentive Plan. These restricted stock awards are scheduled to vest in four equal annual installments beginning on October 1, 2020. The restricted stock awards were granted on January 21, 2020 for services performed during 2019. Assumptions used in the calculation of the grant date fair value of the awards described in this footnote are included in Note 17 to Parent's audited financial statements contained in Parent's Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on March 13, 2020.

(3) Includes $135,567 of life and disability insurance premium payments and $62,363 of perquisites and other benefits, including $25,700 of membership dues and $25,344 of automobile expenses. Perquisites and benefits also included matching contributions to Parent's 401(k) plan, and payment for physical medical examinations.

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(4) Includes $306,240 in management fees paid by Parent to Abdo Companies, Inc., of which Mr. Abdo is the principal shareholder and Chief Executive Officer, as well as matching contributions to Parent's 401(k) plan.
(5) Includes $36,654 of membership dues to community and professional organizations, as well as other benefits, including matching contributions to Parent's 401(k) plan and payment for physical medical examinations.
(6) Includes membership dues to community and professional organizations, automobile expenses, and matching contributions to Parent's 401(k) plan.

Outstanding Equity Awards at Fiscal Year End 2019

The table below sets forth certain information regarding equity-based awards of Parent held by the Named Executive Officers as of December 31, 2019, all of which are in the form of restricted stock awards. As described in the "Summary Compensation Table" above, in addition to the restricted stock awards set forth in the following table, during January 2020, each of Mr. Alan Levan and Mr. Abdo was granted restricted stock awards of 965,209 shares of Parent's Class A Common Stock, and each of Mr. Jarett Levan and Mr. Wise was granted restricted stock awards of 241,302 shares of Parent's Class A Common Stock. The shares subject to the restricted stock awards granted during January are scheduled to vest in four equal annual installments beginning on October 1, 2020. For information on the treatment of restricted stock awards in the spin-off, see "The Spin-Off—Treatment of Restricted Stock Awards." No Named Executive Officer holds, or held as of December 31, 2019, any equity awards in New BBX Capital.

	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options							
Name	Exercisable	Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that have not Vested	Market Value of Shares or Units of Stock that have not Vested	Equity Incentive Plan Awards Number of Unearned Share, Units or Other Rights that have not Vested	Equity Incentive Plan Awards Market or Payout Value or Unearned Shares, Units or Other Rights that have not Vested
Alan B. Levan	—	—	N/A	—	—	149,482 (1)(2)	$ 701,071	N/A	N/A
						250,000 (1)(3)	$1,172,500	N/A	N/A
						516,140 (1)(4)	$2,420,697	N/A	N/A
John E. Abdo	—	—	N/A	—	—	149,482(1)(2)	$ 701,071	N/A	N/A
						312,351 (1)(3)	$1,464,926	N/A	N/A
						602,624 (1)(4)	$2,826,307	N/A	N/A
Jarett S. Levan	—	—	N/A	—	—	74,741 (1)(2)	$ 350,535	N/A	N/A
						78,088 (1)(3)	$ 366,233	N/A	N/A
						150,657 (1)(4)	$ 706,581	N/A	N/A
Seth M. Wise	—	—	N/A	—	—	74,741 (1)(2)	$ 350,535	N/A	N/A
						78,088 (1)(3)	$ 366,233	N/A	N/A
						150,657 (1)(4)	$ 706,581	N/A	N/A

(1) Represents restricted stock awards of shares of the Parent's Class B Common Stock.
(2) Vesting pro-rata over four years, with the first three installments having vested on October 1, 2017, 2018 and 2019.
(3) Vesting pro-rata over four years, with the first two installments having vested on October 1, 2018 and 2019.
(4) Vesting pro-rata over four years, with the first installment having vested on October 1, 2019.

Employment Agreements with Parent

Parent has employment agreements with each of the Named Executive Officers. Under the terms of their respective employment agreements, each Named Executive Officer receives an annual base salary and is entitled to receive bonuses (payable in cash, equity awards or a combination thereof) pursuant to bonus plans established from time to time by Parent's Compensation Committee or otherwise at the discretion of Parent's Compensation Committee. Each employment agreement may be terminated by Parent for "Cause" or "Without Cause" or by the Named Executive Officer for "Good Reason" (as such terms are defined in the employment agreement). If an employment agreement is terminated for "Cause," the applicable Named Executive Officer will be entitled to receive his base salary through the date of termination. If an employment agreement is terminated "Without Cause" or by the Named Executive Officer for "Good Reason," the applicable Named Executive Officer will be entitled to receive his base salary through the date of termination and the prorated portion of the Named Executive Officer's annual bonus based on the average annual bonus paid to him during the prior two fiscal years, subject to a maximum annual bonus for purposes of this calculation in an amount equal to 200% of his then-current annual base salary, in the case of Mr. Alan Levan and Mr. Abdo, and 80% of his then-current annual base salary, in the case of Mr. Jarett Levan and Mr. Wise. In addition, if an employment agreement is terminated "Without Cause" or by the Named Executive Officer for "Good Reason," the Named Executive Officer will be entitled to receive a severance payment as follows. Each of Mr. Alan Levan and Mr. Abdo will be entitled to receive a severance payment in an amount equal to 2 times the sum of his annual base salary and annual bonus opportunity at the date of termination (or 2.99 times the sum of his annual base salary and annual bonus opportunity at the date of termination if such termination occurs within two years after a "Change in Control" (as defined in the employment agreements)). Each of Mr. Jarett Levan and Mr. Wise will be entitled to receive a severance payment in an amount equal to 1.5 times the sum of his annual base salary and annual bonus opportunity at the date of termination (or 2 times the sum of his annual base salary and annual bonus opportunity at the date of termination if such termination occurs within two years after a "Change in Control"). For purposes of calculating the severance payment, each Named Executive Officer's "annual bonus opportunity" will be subject to the same maximum as described above with respect to the calculation of the prorated bonus to which the Named Executive Officer would be entitled in the event of a "Without Cause" or "Good Reason" termination. In addition, with respect to each Named Executive Officer's employment agreement, if the employment agreement is terminated "Without Cause" or is terminated by the Named Executive Officer for "Good Reason" or as a result of the Named Executive Officer's death, all unvested incentive stock options, if any, and restricted stock awards will immediately accelerate and fully vest as of the termination date. Further, in the event of a termination "Without Cause" or a termination by the Named Executive Officer for "Good Reason," the Named Executive Officer will be entitled to continued benefits, including, without limitation, health and life insurance, for the following periods: (i) two years following the year in which the termination occurs (or three years following the year in which the termination occurs, if such termination occurred within two years after a "Change in Control"), in the case of Mr. Alan Levan and Mr. Abdo, and (ii) eighteen months following the year in which the termination occurs (or two years following the year in which the termination occurs, if such termination occurred within two years after a "Change in Control"), in the case of Mr. Jarett Levan and Mr. Wise. Each employment agreement will also be terminated upon the Named Executive Officer's death, in which case the estate of the applicable Named Executive Officer will be entitled to receive his base salary through the date of his death and the prorated portion of the Named Executive Officer's annual bonus, calculated as described above.

Expected Named Executive Officer Compensation Following the Spin-Off

Following the spin-off, the compensation of the Named Executive Officers for their services on behalf of New BBX Capital and its subsidiaries will be determined by our Compensation Committee. It is currently expected that, unless otherwise determined by our Compensation Committee, each of Mr. Alan Levan and Mr. Abdo will initially receive from New BBX Capital annual cash compensation, including salary and bonuses, of up to $2.5 million in the aggregate and that each of Mr. Jarett Levan and Mr. Wise will initially receive annual cash compensation, including salary and bonuses, from New BBX Capital of up to 75% of their total compensation from Parent for the year ended December 31, 2019. The Named Executive Officers may also receive grants of equity awards as from time to time determined by our Compensation Committee as well as perquisites and other personal benefits.

We expect to enter into an employment agreement with each Named Executive Officer on terms substantially the same as those set forth in his respective employment agreement with Parent, as described above. For the complete terms of the employment agreements expected to be entered into with the Named Executive Officers, see the forms of employment agreements attached as exhibits to the registration on Form 10 of which this information statement is a part, which are incorporated herein by reference.

2020 Incentive Plan

We expect that equity-based compensation will be an important component of our compensation program and believe that the ability to grant equity-based compensation awards will enhance the relationship between employee performance and the creation of shareholder value. Accordingly, in connection with the spin-off and effective as of the distribution date, we intend to adopt the BBX Capital Florida LLC 2020 Incentive Plan (the "Incentive Plan"), the terms of which (other than the number of shares which may be awarded) are substantially similar to those of Parent's Amended and Restated 2014 Incentive Plan. Set forth below is a summary of the Incentive Plan, as expected to be adopted. The following summary is qualified in its entirety by reference to the full text of the Incentive Plan, the form of which is attached an exhibit to the registration on Form 10 of which this information statement is a part and which is incorporated herein by reference.

Purpose. The purpose of the Incentive Plan will be to attract, retain and motivate officers and other employees of our Company or our subsidiaries or other affiliates, as well as directors and other individuals who perform services for our Company or our subsidiaries or other affiliates, to compensate them for their services, to encourage ownership by them of stock of our Company, to align their interests with those of our shareholders in the creation of long-term value, and to promote the success and profitability of our business.

Effective Date; Term. The Incentive Plan will become effective on the distribution date. No awards may be granted after the tenth anniversary of the effective date, or the earlier termination of the Incentive Plan by our Board of Directors or the Compensation Committee, which will serve as the administrative committee for the Incentive Plan.

Awards. We will be permitted to grant stock options to purchase, and restricted stock awards of, shares of our Class A Common Stock and Class B Common Stock, as well as performance-based cash awards, to eligible individuals under the Incentive Plan.

Stock Available under the Incentive Plan. The total number of shares that will be authorized and available for issuance pursuant to stock options and restricted stock awards granted under the Incentive Plan will be shares of Class A Common Stock and shares of Class B Common Stock. These maximum share amounts will be subject to adjustment in the event of any subsequent change in our Class A Common Stock or Class B Common Stock, as the case may be, including, without limitation, by reason of a stock dividend, recapitalization, reorganization, merger, consolidation, stock split, reverse stock split, split-up, spin-off, combination or exchange of shares. Any shares subject to restricted stock awards or stock options granted under the Incentive Plan but which expire or are terminated, forfeited or cancelled without having been exercised or vested in full, will again be available for grant under the Incentive Plan.

Administration. The Incentive Plan will be administered by the Compensation Committee. The administrative committee will have broad discretionary powers. Subject to the terms of the Incentive Plan, including those described in further detail below, the administrative committee will have discretionary authority to, among other things: (i) determine the individuals to whom, and the time or times at which, awards will be granted; (ii) determine the terms and provisions of each award granted, including, without limitation, the class and number of shares of stock underlying each option and restricted stock award and the vesting schedule applicable to each option and restricted stock award; (iii) modify or amend each option or restricted stock award, including, without limitation, accelerate or defer the exercise or vesting date of any option or the vesting date of any restricted stock award (in each case, with the consent of the holder thereof if the modification or amendment would adversely affect the holder's right with respect to the option or restricted stock award); (iv) re-price previously granted options and/or substitute new options or restricted stock awards for previously granted options or restricted stock awards, as the case may be, which previously granted options or restricted stock awards may contain less favorable terms, including, in the case of options, higher exercise prices; and (v) interpret the Incentive Plan and make all other determinations deemed necessary or advisable for the administration thereof.

Eligibility. The administrative committee will have the authority to select the people who will receive awards under the Incentive Plan. Any employee or director of our Company or of any subsidiary, parent (if one shall exist) or other affiliate of our Company, and any independent contractor or agent of our Company or any subsidiary, parent (if one shall exist) or affiliate of our Company, may be selected by the administrative committee to receive awards under the Incentive Plan.

Annual Limits. The Incentive Plan will limit the number of shares underlying stock options and restricted stock awards that may be granted to an individual participant in any calendar year to shares. The maximum amount of performance-based cash awards that may be paid to any individual under the Incentive Plan in any calendar year will be $.

Equity-Based Awards. We will be permitted under the Incentive Plan to grant stock options (both incentive stock options and non-qualified stock options) and restricted stock awards. Shares of both our Class A Common Stock and Class B Common Stock may be issued pursuant to options and restricted stock awards granted under the Incentive Plan.

<u>Stock Options</u>. The administrative committee will establish the terms and conditions of the stock options granted under the Incentive Plan. The administrative committee may not grant a stock option with a term of greater than 10 years or with a purchase price that is less than the fair market value of a share of the applicable class of stock on the date of grant.

Both incentive stock options that qualify for special federal income tax treatment and non-qualified stock options that do not qualify for special federal income tax treatment may be granted under the Incentive Plan. Incentive stock options are subject to certain additional restrictions under the Code and the Incentive Plan. The total number of shares of our Class A Common Stock and Class B Common Stock authorized for grant under the Incentive Plan as incentive stock options may not exceed the maximum number of shares of such stock authorized for grant under the Incentive Plan, as described under "Stock Available Under the Incentive Plan" above.

Unless otherwise designated by the administrative committee, options granted will be exercisable for a period of ten years after the date of grant, but will be subject to earlier termination under certain circumstances, including upon, or after the expiration of a specified period following, such time as the individual's employment with our Company, or any subsidiary, parent (if one shall exist) or, in certain cases, other affiliate of our Company, is deemed to be terminated under the terms of the Incentive Plan. Upon the exercise of an option, the exercise price of the option must be paid in full. Payment may be made in cash and/or shares of our stock, or in such other consideration as the administrative committee authorizes. Options may be transferred prior to exercise only to certain family members, trusts or other entities owned by the option holder and/or such family members, to charitable organizations or upon the death of the option holder.

<u>Restricted Stock Awards</u>. At the time of grant of restricted stock awards granted under the Incentive Plan, the administrative committee will establish the terms of the restricted stock award, including, without limitation, whether the award is a performance-based restricted stock award, the class and number of shares of stock subject to the award and the vesting schedule applicable to the award.

Unless the administrative committee determines otherwise with respect to any restricted stock award, before the shares subject to a restricted stock award are vested and transferred to the award recipient, the administrative committee will hold the underlying shares and any dividends or distributions accumulating on such shares. However, the award recipient will have the right to direct the voting of the shares underlying the restricted stock award unless the administrative committee determines otherwise.

All restricted stock awards will be subject to a vesting schedule specified by the administrative committee at the time the award is granted. If the administrative committee does not specify a vesting schedule, the award will vest in full on the first anniversary of the grant date unless earlier terminated in accordance with the terms of the Incentive Plan or the award agreement evidencing the restricted stock award, including upon, or under certain circumstances following the expiration of a period after, such time as the award recipient's services on behalf of our Company, or any subsidiary, parent (if one shall exist) or other affiliate of our Company, is deemed to have ceased under the terms of the Incentive Plan.

Performance-Based Awards. At the time of grant of a restricted stock award, the administrative committee may designate the restricted stock award as a performance-based restricted stock award. In addition, we will also be permitted to grant performance-based cash awards under the Incentive Plan. If a performance-based award is granted, the administrative committee will establish (in addition to or in lieu of service-based vesting requirements in the case of restricted stock awards) one or more performance goals which must be attained as a condition to the vesting and/or retention of the shares or payment of the cash award, as the case may be. The performance goal(s) may be based on one or more of the following:

- earnings per share;
- total or net revenue;
- revenue growth;
- operating income;
- net operating income after tax;
- pre-tax or after-tax income;
- cash flow;
- cash flow per share;
- net income;
- EBIT;
- EBITDA;
- adjusted EBITDA;
- profit growth;
- return on equity;
- return on assets;
- return on capital employed;
- economic value added (or an equivalent metric);
- core earnings;
- book value;
- share price performance or other measures of equity valuation;
- other earnings criteria or profit-related return ratios;

- total shareholder return;
- market share;
- expense levels;
- working capital levels;
- strategic business objectives, consisting of one or more objectives based on meeting specified cost, profit, operating profit, sales, revenue, cash or cash generation targets or measures, or goals, including those relating to business expansion, business development, acquisitions or divestitures; or
- except in the case of a “covered employee” under Section 162(m) of the Code, any other performance criteria established by the administrative committee.

Performance goals may be established on the basis of reported earnings or cash earnings, and consolidated results or the results of a business segment or individual business unit and may, in the discretion of the administrative committee, include or exclude certain items, including the operations or results of a business segment or individual business unit and/or the results of discontinued operations. Each performance goal may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on internal or external targets, the past performance of our Company (or individual business segments or units) and/or the past or current performance of other companies. Performance goals need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria).

Attainment of the performance goals will be measured over a performance measurement period specified by the administrative committee when the award is made. The administrative committee will determine in its discretion whether the award recipient has attained the performance goals. If the administrative committee determines that the award recipient attained the performance goals, the administrative committee will certify that fact in writing. If the performance goals are not satisfied during the performance measurement period, the relevant award will be forfeited or not paid. If the performance goals (and any service-based vesting schedule in the case of restricted stock awards) are satisfied, the award will be distributed (or any vesting-related legend removed from any stock certificates previously delivered to the award recipient) or paid, as the case may be. Subject to applicable tax law, the administrative committee may, in its discretion based on such objective or subjective factors as it may consider, adjust the amount of the payment of a performance-based award.

Mergers and Reorganizations. The number of shares available under the Incentive Plan and the number of shares subject to stock options and restricted stock awards granted under the Incentive Plan may be adjusted to reflect any merger, consolidation or other business reorganization in which we are the surviving entity, and to reflect any stock split, stock dividend, spin-off or other event where the administrative committee determines an adjustment is appropriate in order to prevent the enlargement or dilution of an award recipient’s rights. If a merger, consolidation or other business reorganization occurs and we are not the surviving entity, any outstanding options, at the discretion of the administrative committee or our Board of Directors, may be (i) canceled and payment made to the option holder in an amount equal to the value of the canceled options or (ii) modified to provide for alternative, nearly equivalent securities. Any outstanding restricted stock award will be adjusted by allocating to the award recipient any money, stock, securities or other property received on account of outstanding shares by the other holders of record of the applicable class of stock, and such money, stock, securities or other property will be subject to the same terms and conditions as the restricted stock award on account of which it is issued, exchanged or paid.

Termination or Amendment. Our Board of Directors or the administrative committee will have the authority to at any time and from time to time terminate, modify, suspend or amend the Incentive Plan, in whole or in part, provided, however, that no such termination, modification, suspension or amendment will be effective without shareholder approval if such approval is required to comply with any applicable law or national securities exchange rule. In addition, no termination, modification, suspension or amendment of the Incentive Plan will, without the consent of an award recipient, adversely affect such award recipient's rights under any previously granted and then-outstanding award.

New Plan Benefits. Grants of awards under the Incentive Plan will be at the discretion of the administrative committee. It has not yet determined to whom and in what amount any future awards will be made.

Compensation Committee Interlocks and Insider Participation

None of the individuals expected to serve on our Compensation Committee following thespin-off are current or former officers or employees of our Company or any of our subsidiaries. In addition, we are not aware of any interlocking or other relationships or transactions involving any such individuals required to be disclosed under Item 407(e)(4) of Regulation S-K promulgated by the SEC.

DIRECTOR COMPENSATION

Following the spin-off, the Compensation Committee will recommend director compensation to the full Board of Directors based on factors it considers appropriate and based on the recommendations of management. We expect that such compensation will initially be the same as the compensation currently paid by Parent to its directors for their service on Parent's Board and its committees, which is as follows. It is expected that each non-employee director of the Company will receive an annual cash retainer of $100,000 for his service on the Board of Directors. In addition to compensation for their service on the Board of Directors, we also expect to pay compensation to our non-employee directors for their service on the Board's committees. It is expected that the Chairman of the Audit Committee will receive an annual cash retainer of $20,000, that all other members of the Audit Committee will receive annual cash retainers of $16,000, and that the Chairman of the Compensation Committee and the Chairman of the Nominating/Corporate Governance Committee will each receive an annual cash retainer of $3,500. Other than the Chairman, it is not expected that members of the Compensation Committee or the Nominating/Corporate Governance Committee will receive additional compensation for their service on those committees. In addition, we do not expect to separately compensate our directors who are also employees of our Company or any of our subsidiaries for their service on our Board of Directors or, if applicable, any of its committees. Our directors will be entitled to reimbursement for reasonable travel and other out-of-pocket business expenses incurred in connection with their service on our Board and its committees, including any such expenses incurred in connection with their attendance at Board and committee meetings.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the spin-off, all of the outstanding shares of our common stock will be owned beneficially and of record by Parent. Immediately following the spin-off, Parent will not own any shares of our common stock.

The following table shows the anticipated beneficial ownership of our Class A Common Stock and Class B Common Stock immediately following the spin-off by (i) each person who we believe, based on the assumptions described below, will beneficially own more than 5% of the outstanding shares of our Class A Common Stock or Class B Common Stock, (ii) each of the Named Executive Officers, (iii) each person expected to serve as a director on our Board immediately following the spin-off, and (iv) all of our expected directors and executive officers immediately following the spin-off as a group. The following table has been prepared based on the number of outstanding shares of Parent's Class A Common Stock and Class B Common Stock as of June 17, 2020 (but giving effect to the one-for-five reverse stock split approved by Parent's Board of Directors and expected to be effected prior to the completion of the spin-off), each person's beneficial ownership of Parent's Class A Common Stock and Class B Common Stock as of such date, and a distribution ratio of one share of our Class A Common Stock for each share of Parent's Class A Common Stock and one share of our Class B Common Stock for each share of Parent's Class B Common Stock. Except as otherwise noted in the footnotes below, (i) each person named in the table below is expected to have sole voting and investment power over the shares of our Class A Common Stock or Class B Common Stock expected to be beneficially owned by such person and (ii) the address of each person named in the table below is 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida 33301.

Name of Beneficial Owner	Notes	Class A Common Stock Ownership	Class B Common Stock Ownership	Percent of Class A Common Stock	Percent of Class B Common Stock
Levan BFC Stock Partners LP	(1,2,3,6)	—	336,914	2.1%	9.1%
Levan Partners LLC	(1,2,3,6)	986,196	141,576	7.2%	3.8%
Alan B. Levan	(1,2,3,4,5,6,7)	1,760,054	3,516,226	25.6%	95.2%
John E. Abdo	(1,2,3,5)	1,065,284	1,495,310	13.9%	40.5%
Seth M. Wise	(1,2,7,8)	197,443	335,157	3.0%	9.1%
Jarett S. Levan	(1,2,3,6,7)	191,394	342,605	4.6%	18.4%
Raymond S. Lopez	(1,2)	9,725	23,431	*	*
Norman H. Becker	(2)	1,204	—	*	0.0%
Andrew R. Cagnetta Jr.	(2)	1,000	—	*	0.0%
Steven M. Coldren	(2)	1,893	—	*	0.0%
Darwin Dornbush	(2)	10,082	—	*	0.0%
Willis N. Holcombe	(2)	—	—	0.0%	0.0%
Joel Levy	(2)	12,312	—	*	0.0%
William Nicholson	(2)	12,000	—	*	0.0%
Anthony P. Segreto	(2)	—	—	0.0%	0.0%
Neil Sterling	(2)	—	—	0.0%	0.0%
Gregory A. Haile	(2)	—	—	0.0%	0.0%
Dr. Herbert A. Wertheim	(1,9)	793,631	83,290	5.6%	2.3%
All directors and executive officers of the Company as a group (15 persons)	(1,2,3,4,5,6,7,8)	3,262,392	3,539,657	33.7%	95.8%

(1) Unrestricted shares of the Company's Class B Common Stock are convertible on a share-for-share basis into shares of the Company's Class A Common Stock at any time at the beneficial owner's discretion. The number of shares of Class B Common Stock held by each beneficial owner and convertible within 60 days after June 17, 2020 into shares of Class A Common Stock is not separately included in the "Class A Common Stock Ownership" column, but is included for the purpose of calculating the percent of Class A Common Stock held by each beneficial owner. The Class B share holdings of Mr. Alan Levan, Mr. Abdo,

Mr. Jarett Levan, Mr. Wise and Mr. Lopez include 183,124 shares, 212,891 shares, 60,697 shares, 60,697 shares and 11,070 shares, respectively, which are restricted shares that cannot be converted into shares of Class A Common Stock within 60 days but over which the applicable individual has voting power.

(2) Mailing address is 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida 33301.

(3) The Company may be deemed to be controlled by Messrs. Alan Levan, Jarett Levan and Abdo, who collectively may be deemed to have an aggregate beneficial ownership of shares of the Company's Class A Common Stock and Class B Common Stock representing approximately 78.2% of the total voting power of the Company's Common Stock.

(4) Mr. Alan Levan's beneficial holdings include the 986,196 shares of Class A Common Stock and 141,576 shares of Class B Common Stock owned by Levan Partners LLC and the 336,914 shares of Class B Common Stock owned by Levan BFC Stock Partners LP. Mr. Alan Levan's beneficial holdings also include 2,340 shares of Class A Common Stock and 240 shares of Class B Common Stock held of record by his wife, 7,342 shares of Class A Common Stock held through trusts for the benefit of his children and 78,700 of Class A Common Stock held by the Susie and Alan B. Levan Family Foundation. In addition, Mr. Alan Levan's beneficial holdings of Class B Common Stock include the shares of Class B Common Stock held by Mr. Abdo, Mr. Jarett Levan and Mr. Wise, as described below.

(5) Mr. Alan Levan and Mr. Abdo are parties to an agreement pursuant to which Mr. Abdo has granted to Mr. Alan Levan a proxy to vote the shares of Class B Common Stock that Mr. Abdo beneficially owns. As a result, the shares of Class B Common Stock beneficially owned by Mr. Abdo are included in Mr. Alan Levan's beneficial holdings in the table. Mr. Abdo has also agreed not to sell any of his shares of Class B Common Stock without first converting those shares into shares of Class A Common Stock. Pursuant to the agreement, Mr. Alan Levan and Mr. Abdo have also agreed to vote their shares of Class B Common Stock in favor of the election of the other to the Company's Board of Directors for so long as they are willing and able to serve as directors of the Company. The agreement also provides for Mr. Jarett Levan to succeed to Mr. Alan Levan's rights under the agreement in the event of Mr. Alan Levan's death or disability.

(6) Mr. Alan Levan and Mr. Jarett Levan are parties to an agreement pursuant to which Mr. Jarett Levan has agreed to vote the shares of Class B Common Stock that he owns or otherwise has the right to vote in the same manner as Mr. Alan Levan votes his shares of Class B Common Stock. As a result, the shares of Class B Common Stock beneficially owned by Mr. Jarett Levan are included in Mr. Alan Levan's beneficial holdings in the table. Mr. Jarett Levan has also agreed, subject to certain exceptions, not to transfer certain of his shares of Class B Common Stock and to obtain the consent of Mr. Alan Levan prior to the conversion of certain of his shares of Class B Common Stock into shares of Class A Common Stock. Pursuant to the agreement, Mr. Alan Levan and Mr. Jarett Levan have also agreed to vote their shares of Class B Common Stock in favor of the election of the other to the Company's Board of Directors for so long as they are willing and able to serve as directors of the Company.

(7) Mr. Jarett Levan and Mr. Wise are parties to an agreement pursuant to which Mr. Wise has agreed to vote the shares of Class B Common Stock that he owns or otherwise has the right to vote in the same manner as Mr. Jarett Levan's shares of Class B Common Stock are voted. As a result of this agreement and the above-described agreement between Mr. Alan Levan and Mr. Jarett Levan, the shares of Class B Common Stock beneficially owned by Mr. Wise are included in Mr. Alan Levan's beneficial holdings in the table. Mr. Wise has also agreed, subject to certain exceptions, not to transfer certain of his shares of Class B Common Stock or convert such shares of Class B Common Stock into shares of Class A Common Stock, in each case, without first offering Mr. Jarett Levan the right to purchase such shares. Pursuant to the agreement, Mr. Jarett Levan and Mr. Wise have also agreed to vote, or cause to be voted, their shares of Class B Common Stock in favor of the election of the other to the Company's Board of Directors for so long as they are willing and able to serve as directors of the Company.

(8) Mr. Wise's holdings of Class A Common Stock include 49 shares held in his spouse's IRA which he may be deemed to beneficially own.

(9) Dr. Wertheim's ownership was reported in a Rebuttal of Control Agreement filed on December 20, 1996 with the Office of Thrift Supervision (as adjusted for stock splits since the date of filing). The Rebuttal of Control Agreement indicated that Dr. Wertheim had no intention to directly or indirectly manage or control the Company. Dr. Wertheim's mailing address, as reported by him, is 191 Leucadendra Drive, Coral Gables, Florida 33156.

DESCRIPTION OF CAPITAL STOCK

Our Articles of Incorporation and Bylaws will each be amended and restated prior to the distribution date. The following is a summary of the material terms of our capital stock that will be contained in our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws. We also expect to enter into a rights agreement (referred to in this section as the "Rights Agreement") in connection with or prior to the spin-off, which is summarized below. The terms of our capital stock may also be affected by Florida law.

The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, our Amended and Restated Articles of Incorporation, our Amended and Restated Bylaws and the form of Rights Agreement, each of which is included as an exhibit to the registration statement on Form 10 of which this information statement is a part. See "Where You Can Find More Information."

Authorized Capital Stock

Prior to the distribution date, Parent, as our sole shareholder, and our Board of Directors will approve and adopt our Amended and Restated Articles of Incorporation and our Amended and Restated Bylaws. Under our Amended and Restated Articles of Incorporation, our authorized capital stock will consist of 30,000,000 shares of Class A Common Stock, par value $0.01 per share, 5,000,000 shares of Class B Common Stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value $0.01 per share.

Class A Common Stock and Class B Common Stock

Based on the number of shares of Parent's Class A Common Stock and Class B Common Stock expected to be outstanding as of the record date (and after giving effect to the one-for-five reverse split of Parent's Class A Common Stock and Class B Common Stock approved by Parent's Board of Directors and expected to be effected prior to the completion of the spin-off), we expect that approximately 15,621,249 shares of our Class A Common Stock and 3,693,370 shares of our Class B Common Stock will be distributed in the spin-off. However, the actual number of shares of our Class A Common Stock and Class B Common Stock to be distributed in the spin-off will be determined based on the actual number of shares of Parent's Class A Common Stock and Class B Common Stock outstanding as of the record date. The shares of our Class A Common Stock and Class B Common Stock distributed in the spin-off will constitute all of the issued and outstanding shares of our capital stock immediately following the distribution.

Voting Rights

Except as provided by Florida law or as specifically provided in our Amended and Restated Articles of Incorporation, holders of our Class A Common Stock and Class B Common Stock will vote as a single group on matters presented to them for a shareholder vote. With respect to each such matter, each share of our Class A Common Stock will be entitled to one vote, with all of the shares of Class A Common Stock representing in the aggregate 22% of the total voting power of our Class A Common Stock and Class B Common Stock, and each share of our Class B Common Stock will be entitled to the number of votes per share so that all of the shares of Class B Common Stock will represent in the aggregate 78% of the total voting power of our Class A Common Stock and Class B Common Stock. These fixed voting percentages will remain in effect until the total number of outstanding shares of our Class B Common Stock falls below 360,000 shares. If the total number of outstanding shares of our Class B Common Stock is less than 360,000 shares but greater than 280,000 shares, then our Class A Common Stock will hold a voting percentage equal to 40% and our Class B Common Stock will hold a voting percentage equal to the remaining 60%. If the total number of outstanding shares of our Class B Common Stock is less than 280,000 shares but greater than 100,000 shares, then our Class A Common Stock will hold a voting percentage equal to 53% and our Class B Common Stock will hold a voting percentage equal to the remaining 47%. If the total number of outstanding shares of our Class B Common Stock is less than 100,000 shares, then each share of our Class A Common Stock and Class B Common Stock will be entitled to one vote on each matter presented to a vote of our shareholders. Each of the above-described share thresholds will be ratably adjusted in connection with any stock split, reverse stock split or similar transaction effected by us.

Under Florida law, holders of our Class A Common Stock will be entitled to vote as a separate voting group on amendments to our Amended and Restated Articles of Incorporation which require the approval of our shareholders under Florida law and would:

- effect an exchange or reclassification of all or part of the shares of our Class A Common Stock into shares of another class;
- effect an exchange or reclassification, or create a right of exchange, of all or part of the shares of another class into shares of our Class A Common Stock;
- change the designation, rights, preferences, or limitations of all or part of the shares of our Class A Common Stock;
- change all or part of the shares of our Class A Common Stock into a different number of shares of Class A Common Stock;
- create a new class of shares which have rights or preferences with respect to distributions or to dissolution that are prior or superior to our Class A Common Stock;
- increase the rights, preferences or number of authorized shares of any class that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior or superior to our Class A Common Stock;
- limit or deny any existing preemptive right of all or part of the shares of our Class A Common Stock; or
- cancel or otherwise affect rights to distributions or dividends that have accumulated but not yet been declared on all or part of the shares of our Class A Common Stock.

However, if a proposed amendment that would otherwise entitle the holders of our Class A Common Stock to vote as a separate voting group as a result of the amendment having one of the effects described above would affect the holders of our Class B Common Stock or any of our other securities outstanding from time to time in the same or substantially similar way, then the holders of our Class A Common Stock will not be entitled to vote as a separate voting group on the proposed amendment but instead will vote together with the other similarly affected shareholders as a single voting group on the amendment.

Under Florida law, holders of our Class B Common Stock will be entitled to vote as a separate voting group on any amendment to our Amended and Restated Articles of Incorporation which requires the approval of our shareholders under Florida law and would affect the rights of the holders of our Class B Common Stock in substantially the same manner as described above with respect to our Class A Common Stock. Holders of our Class A Common Stock and Class B Common Stock will also be entitled to vote as a separate voting group on any plan of merger or plan of share exchange that requires the approval of our shareholders under Florida law and contains a provision which, if included in a proposed amendment to our Amended and Restated Articles of Incorporation, would require their vote as a separate voting group.

In addition to the rights afforded to our shareholders under Florida law, our Amended and Restated Articles of Incorporation will provide that the approval of the holders of our Class B Common Stock, voting as a separate voting group, will be required before any of the following actions may be taken:

- the issuance of any additional shares of our Class B Common Stock, other than a stock dividend issued to holders of our Class B Common Stock;
- a reduction in the number of outstanding shares of our Class B Common Stock, except for any reduction by virtue of a conversion of shares of our Class B Common Stock into shares of our Class A Common Stock or a voluntary disposition to us; or

- any amendments of the voting rights provisions of our Amended and Restated Articles of Incorporation.

Our Amended and Restated Articles of Incorporation do not provide for cumulative voting on the election of directors.

Convertibility

Under our Amended and Restated Articles of Incorporation, holders of our Class B Common Stock will possess the right, at any time, to convert any or all of their shares of our Class B Common Stock into shares of our Class A Common Stock on a share-for-share basis. Our Class A Common Stock will not be convertible into any other class or series of our securities.

Dividends and Other Distributions

Holders of our Class A Common Stock and Class B Common Stock will be entitled to receive cash dividends, when and as declared by our Board of Directors out of legally available assets, subject to preferences that may apply to any shares of our preferred stock outstanding from time to time. Any distribution per share with respect to our Class A Common Stock will be identical to the distribution per share with respect to our Class B Common Stock, except that a stock dividend or other non-cash distribution to holders of our Class A Common Stock may be declared and issued in the form of our Class A Common Stock or Class A Common Stock of our affiliates while a dividend or other non-cash distribution to holders of our Class B Common Stock may be declared and issued in the form of either our Class A Common Stock or Class B Common Stock or Class A Common Stock or Class B Common Stock of our affiliates.

Liquidation Rights

Upon any liquidation, the assets legally available for distribution to our shareholders after payment of liabilities and any liquidation preference of any shares of our preferred stock outstanding from time to time will be distributed ratably among the holders of our Class A Common Stock and Class B Common Stock.

Other Rights

All of our outstanding shares of common stock currently held by Parent are, and all of the shares of our Class A Common Stock and Class B Common Stock that we will issue in connection with the spin-off will, be fully paid and nonassessable. The holders of our Class A Common Stock and Class B Common Stock have no preemptive rights, and our Class A Common Stock and Class B Common Stock is not subject to any redemption or sinking fund provisions.

Additional Shares of Common Stock

We may issue additional authorized shares of our Class A Common Stock or Class B Common Stock as authorized by our Board of Directors from time to time, without shareholder approval, subject to any limitations imposed by the listing standards of any national securities exchange on which our Class A Common Stock or Class B Common Stock may be listed.

Preferred Stock

Under our Amended and Restated Articles of Incorporation, and as permitted by Florida law, our Board of Directors may authorize the issuance of preferred stock in one or more series, establish from time to time the number of shares to be included in each series and fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case, without vote or action by our shareholders except to the extent required by the listing standards of any national securities exchange on which our Class A Common Stock or Class B Common Stock may be listed. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of our Class A Common Stock or Class B Common Stock or otherwise adversely affect the voting power or other rights of the holders of our Class A Common Stock or Class B Common Stock, including the likelihood that holders of our Class A Common Stock or Class B Common Stock would receive dividend payments and payments on liquidation, or the amounts thereof. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, financing transactions and other corporate purposes, could also, among other things, have the effect of delaying, deferring or preventing a change in control or other corporate actions, and might adversely affect the market price of our Class A Common Stock or Class B Common Stock.

In connection with the expected adoption of the rights agreement described below, it is anticipated that 2,000,000 shares of our authorized preferred stock will be designated as Series A Junior Participating Preferred Stock, none of which will be outstanding upon the effectiveness of the spin-off.

Rights Agreement

In connection with the spin-off, we expect to enter into a Rights Agreement prior to the distribution. The following is a summary of the terms of the Rights Agreement.

The Rights

Under the terms and conditions of the Rights Agreement, one preferred share purchase right (a “Right”) will be issued with respect to each share of our Class A Common Stock and Class B Common Stock issued in the spin-off. In addition, new Rights will accompany any new shares of our Class A Common Stock and Class B Common Stock subsequently issued until the earlier of the Rights Agreement Distribution Date described below or the redemption or exchange of the Rights or other termination or expiration of the Rights Agreement. Prior to exercise, the Rights will not give their holders any dividend, voting, liquidation or any other rights of a shareholder of our Company.

Prior to the Rights Agreement Distribution Date, each Right will be transferred with and only with the share of our Class A Common Stock or Class B Common Stock with respect to which the Right was issued. Until the Rights Agreement Distribution Date (or earlier expiration of the Rights), the surrender for transfer of any shares of our Class A Common Stock or Class B Common Stock will also constitute the transfer of the Rights associated with such shares. After the Rights Agreement Distribution Date, the Rights will separate from our Class A Common Stock and Class B Common Stock and be evidenced by book-entry credits or by Rights certificates to be mailed to all eligible holders of our Class A Common Stock or Class B Common Stock. Any Rights beneficially owned by an Acquiring Person and any of the Acquiring Person’s Affiliates, Associates and other Related Persons (as such terms are defined in the Rights Agreement), and certain subsequent transferees of such persons, will become null and void and may not be exercised.

Exercise Price

Once the Rights become exercisable, each Right will allow its holder to purchase from us oneone-hundredth of a share of Series A Junior Participating Preferred Stock for a price determined by the Board of Directors (the “Purchase Price”).

Series A Junior Participating Preferred Stock Provisions

The value of one one-hundredth of a share of Series A Junior Participating Preferred Stock is intended to approximate the value of one share of our Class A Common Stock. Each one one-hundredth of a share of Series A Junior Participating Preferred Stock, if issued:

- will not be redeemable;

- will entitle holders to, when, as and if declared by our Board of Directors, dividend payments of $0.01, or an amount equal to the dividend paid on one share of our Class A Common Stock, whichever is greater;
- will entitle holders upon liquidation either to receive $1.00 or an amount equal to the payment made on one share of our Class A Common Stock, whichever is greater;
- will have the same voting power as one share of our Class A Common Stock (with all outstanding shares of our Class A Common Stock and Series A Junior Participating Preferred Stock representing, in the aggregate, 22% of the general voting power of our stock, subject to adjustment in accordance with our Amended and Restated Articles of Incorporation, as described above; and
- will entitle holders to a payment equal to the payment made on one share of our Class A Common Stock if shares of our Class A Common Stock are exchanged via merger, consolidation, or a similar transaction.

Exercisability

The Rights will not be exercisable until the Rights Agreement Distribution Date, which is the earlier to occur of (i) 10 business days following a public announcement that a person or group of affiliated or associated persons or person(s) acting in concert therewith has acquired, or obtained the right to acquire, beneficial ownership of 5% or more of the outstanding shares of our Class A Common Stock, Class B Common Stock or total combined common stock or (ii) 10 business days (or such later date as may be determined by action of our Board of Directors) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 5% or more of the outstanding shares of our Class A Common Stock, Class B Common Stock or total combined common stock.

Exemptions

Persons who would beneficially own 5% or more of our Class A Common Stock, Class B Common Stock or total combined common stock by virtue of the distribution, if such distribution were to be consummated at the time of the first public announcement of our adoption of the Rights Agreement will not be required to divest any shares and will not trigger exercisability of the Rights so long as they do not become the beneficial owner of one or more additional shares of our Class A Common Stock or Class B Common Stock (other than pursuant to certain limited exceptions expressly set forth in the Rights Agreement) which results in their beneficial ownership of 5% or more of the outstanding shares of our Class A Common Stock, Class B Common Stock or total combined common stock. Additionally, if our Board of Directors determines that a person or group who would otherwise be an Acquiring Person exceeded any of the 5% thresholds inadvertently and without any intention of obtaining, changing or influencing control of our Company, then such person or group will not be deemed to be or to have become an Acquiring Person in such case provided such person or group divests itself, as soon as practicable (as determined by our Board of Directors), of beneficial ownership of a sufficient number of shares of our Class A Common Stock or Class B Common Stock (as determined by our Board of Directors) so that such person or group would no longer otherwise qualify as an Acquiring Person. Further, if we repurchase shares of our Class A Common Stock or Class B Common Stock and, as a result, a person or group's holdings constitute 5% or more of the remaining outstanding shares of our Class A Common Stock, Class B Common Stock or total combined common stock, that person or group will not be an Acquiring Person so long as they do not become the beneficial owner of one or more additional shares of our Class A Common Stock or Class B Common Stock (other than pursuant to certain limited exceptions expressly set forth in the Rights Agreement) which results in their beneficial ownership of 5% or more of the outstanding shares of our Class A Common Stock, Class B Common Stock or total combined common stock. The Rights will also not become exercisable solely as a result of any unilateral grant of a security by us, including our grant of stock awards, restricted stock awards, options, warrants, rights or similar interests to our directors, officers or employees, or as a result of the vesting or exercise of any such security. In addition, a person or group will not become an Acquiring Person solely as the result of the acquisition by such person or group of shares of our Class A Common Stock or Class B Common Stock from an individual who beneficially owned 5% or more of our Class A Common Stock, Class B Common Stock or total combined common stock then outstanding if such shares are received upon such individual's death pursuant to such individual's will or pursuant to a charitable trust created by such individual for estate planning purposes. We and our subsidiaries, any employee benefit plan of us or any of our subsidiaries, or any entity or trustee holding (or acting in a fiduciary capacity in respect of) shares of our Class A Common Stock or Class B Common Stock for or pursuant to the terms of any such plan or for the purpose of funding any such plan or funding other employee benefits for our employees or the employees of any of our subsidiaries are excepted from the provisions of the Rights Agreement.

Acquisitions of shares of our Class A Common Stock or Class B Common Stock as a result of acquiring additional shares of Parent's Class A Common Stock or Class B Common Stock following the first public announcement of our adoption of the Rights Agreement and prior to the distribution or shares representing our Class A Common Stock or Class B Common Stock in the when-issued trading market or as a result of the distribution will each be included in determining the beneficial ownership of a person and all such acquisitions following the first public announcement of our adoption of the Rights Agreement will be taken into account in determining whether a person is an Acquiring Person under the terms of the Rights Agreement. Therefore, a person could become an Acquiring Person under the terms of the Rights Agreement simultaneously with the receipt of shares in the distribution.

Consequences of a Person or Group Becoming an Acquiring Person

If a person or group becomes an Acquiring Person, all holders of Rights (except the Acquiring Person, each Related Person of the Acquiring Person, and certain of their respective transferees, whose Rights will have become void) may, for the Purchase Price, purchase from us a number of shares of our Class A Common Stock or equivalent securities having a market value at that time of twice the Purchase Price.

If, after a person or group has become an Acquiring Person, we are acquired in a merger or other business combination transaction or 50% or more of our consolidated assets or earning power are sold, proper provisions will be made so that each holder of a Right (other than Rights beneficially owned by the Acquiring Person, each Related Person of the Acquiring Person, and certain of their respective transferees, all of which Rights will have become void) will thereafter have the right to receive upon the exercise of a Right that number of shares of common stock of the person with whom we have engaged in the foregoing transaction (or its parent) that at the time of such transaction having a market value of two times the Purchase Price.

Exchange

From the date, if any, on which any person or group becomes an Acquiring Person until the expiration of the Rights Agreement, our Board of Directors will have the right to extinguish the Rights by exchanging the Rights (other than Rights beneficially owned by the Acquiring Person, each Related Person of the Acquiring Person, and certain of their respective transferees, all of which Rights will have become void), in whole or in part, at an exchange ratio of one share of our Class A Common Stock, or a fractional share of Series A Junior Participating Preferred Stock (or other class or series of our preferred stock having similar rights, preferences and privileges as the Series A Junior Participating Preferred Stock) of equivalent value, per Right (subject to adjustment in accordance with the terms of the Rights Agreement).

Redemption

At any time prior to the Rights Agreement Distribution Date, our Board of Directors may redeem the Rights, in whole but not in part, at a price of $0.0001 per Right (the "Redemption Price"), payable, at our option, in cash, shares of Class A Common Stock or Class B Common Stock or such other form of consideration as our Board shall determine. The redemption of the Rights may be made effective at such time, on such basis and with such conditions as our Board of Directors, in its sole discretion, may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate, and the holders of Rights will thereafter only have the right to receive the Redemption Price.

Adjustments

The Purchase Price, the Redemption Price, the number of shares issuable in exchange for or upon exercise of the Rights and the number of outstanding Rights will be subject to adjustment in accordance with the terms of the Rights Agreement to prevent dilution that may occur as a result of certain events, including, among others, a stock dividend, a stock split or a reclassification of our capital stock. No adjustments to the Purchase Price of less than 1% will be made.

Amendments

For so long as the Rights are redeemable, we may amend the Rights Agreement in any manner without the approval of any holders of Rights or of our Class A Common Stock or Class B Common Stock. After such time as the Rights are no longer redeemable, we may amend the Rights Agreement in any manner without the consent of any holders of Rights, except that no such amendment may (i) adversely affect the interests of the holders of Rights as such (other than an Acquiring Person, any Related Person of an Acquiring Person and certain of their transferees), (ii) cause the Rights Agreement again to become amendable other than in accordance with this sentence, or (iii) cause the Rights again to become redeemable.

Term

The Rights Agreement will have a term of years, subject to earlier termination upon redemption or exchange of the rights or otherwise at the discretion our Board of Directors, or extension of the Rights Agreement by our Board of Directors in accordance with the terms of the Rights Agreement.

Certain Anti-Takeover Effects

The terms of our Class A Common Stock and Class B Common Stock will make the sale or transfer of control of our Company or the removal of our directors unlikely without the concurrence of the holders of our Class B Common Stock. In addition, the sale or transfer of control of our Company or the removal of our directors will be impossible without the consent of Alan B. Levan, John E. Abdo and Jarett S. Levan so long as they own shares of our Class A Common Stock and Class B Common Stock representing a majority of our total voting power.

Our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws will also contain other provisions that may discourage, delay or prevent a merger, acquisition or other change in control. These provisions include those which permit our Board of Directors to establish the number of directors and fill any vacancies and newly created directorships and specify advance notice procedures that must be complied with by shareholders in order to make shareholder proposals or nominate directors. The Rights Agreement may also have an anti-takeover effect as it will provide a deterrent to any person or group from acquiring 5% or more of our outstanding Class A Common Stock, Class B Common Stock or total combined common stock, although the Rights Agreement should not interfere with any merger or other business combination approved by our Board of Directors.

In addition, the authorized but unissued shares of our common stock and preferred stock are available for future issuance without shareholder approval, subject to any limitations imposed by the listing standards of any national securities exchange on which our Class A Common Stock or Class B Common Stock may be listed. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued common stock and preferred stock (and our Board of Directors' authority to establish the rights, preferences and limitation of the preferred stock, as described above) could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

As a Florida corporation, we are also subject to the provisions of Florida law, including those limiting the voting rights of "control shares." Under Florida law, subject to certain exceptions, including mergers and acquisitions effected in accordance with Florida law, the holder of "control shares" of a Florida corporation that has (i) 100 or more shareholders, (ii) its principal place of business, its principal office or substantial assets in Florida and (iii) either more than 10% of its shareholders residing in Florida, more than 10% of its shares owned by Florida residents or 1,000 shareholders residing in Florida, will not have the right to vote those shares unless the acquisition of the shares was approved by a majority of each class of voting securities of the corporation, excluding those shares held by interested persons. "Control shares" are defined as shares acquired by a person, either directly or indirectly, that when added to all other shares of the issuing corporation owned by that person, would entitle that person to exercise, either directly or indirectly, voting power within any of the following ranges: (i) 20% or more but less than 33% of all voting power of the corporation's voting securities; (ii) 33% or more but less than a majority of all voting power of the corporation's voting securities; or (iii) a majority or more of all of the voting power of the corporation's voting securities.

Exclusive Forum Provision

Our Amended and Restated Bylaws will contain an exclusive forum provision which provides that, unless our Board of Directors consents to the selection of an alternative forum, the Circuit Court located in Miami-Dade County, Florida (or, if such Circuit Court does not have jurisdiction, another Circuit Court located within Florida or, if no Circuit Court located within Florida has jurisdiction, the federal district court for the Southern District of Florida) shall be the sole and exclusive forum for "Covered Proceedings," which include: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders; (iii) any action asserting a claim against us or any of our directors, officers or other employees arising pursuant to any provision of the Florida Business Corporation Act, our Amended and Restated Articles of Incorporation or our Amended and Restated Bylaws (in each case, as may be amended or amended and restated from time to time); and (iv) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine of the State of Florida. To the extent within the categories set forth in the preceding sentence, Covered Proceedings include causes of action under the Exchange Act and the Securities Act. The exclusive forum provision will also provide that if any Covered Proceeding is filed in a court other than a court located within Florida in the name of any shareholder, then such shareholder shall be deemed to have consented to (a) the personal jurisdiction of the state and federal courts located within Florida in connection with any action brought in any such court to enforce the exclusive forum provision and (b) having service of process made upon such shareholder in any such enforcement action by service upon such shareholder's counsel in the action as agent for such shareholder. Notwithstanding the foregoing, shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

The exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees or be cost-prohibitive to shareholders, which may discourage such lawsuits against us and our directors, officers and other employees. However, there is uncertainty regarding whether a court would enforce the exclusive forum provision. If a court were to find the exclusive forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our financial condition and operating results.

Transfer Agent and Registrar

After the distribution, we expect that the transfer agent and registrar for our Class A Common Stock and Class B Common Stock will be .

Listing

We intend to apply for our Class A Common Stock and Class B Common Stock to be traded on the OTCQX and/or OTCQB markets and to request the trading symbol "   " for our Class A Common Stock and "   " for our Class B Common Stock.

Limitation on Liability and Indemnification of Directors and Officers

Florida law generally provides that a director of a Florida corporation is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision or failure to act regarding corporate management or policy, unless the director breached or failed to perform his or her duties as a director and the director's breach of or failure to perform those duties constitutes (i) a violation of criminal law, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful, (ii) a transaction from which the director derived an improper personal benefit, either directly or indirectly, (iii) an unlawful distribution, (iv) in a proceeding by or in the right of the corporation or in the right of a shareholder, conscious disregard for the best interest of the corporation or willful misconduct, or (v) in a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property.

In addition, Florida law provides that a Florida corporation has the power to (i) indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), because he or she was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, and (ii) indemnify any person who was or is a party to any proceeding by or in the right of the corporation to procure a judgment in its favor because that person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors of the corporation, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Indemnification under clause (ii) of the preceding sentence is authorized if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification with regard to a proceeding by or in the right of the corporation is to be made in respect of any claim, issue or matter as to which such person has been found liable unless, and only to the extent that, the court in which the proceeding was brought, or any other court of competent jurisdiction, determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Further, under Florida law, to the extent that a director, officer, employee or agent of a Florida corporation has been successful on the merits or otherwise in defense of any proceeding referred to in the preceding paragraph, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

Our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws will contain indemnification provisions substantially similar to the above-described provisions of Florida law. In addition, we carry insurance permitted by Florida law for our directors, officers, employees and agents which covers alleged or actual error or omission, misstatement, misleading misstatement, neglect or breach of fiduciary duty while acting in such capacities on behalf of the corporation, which acts may include liabilities under the Securities Act.

To the extent our directors and officers are indemnified against liabilities arising under the Securities Act, whether under the provisions contained in our Amended and Restated Articles of Incorporation or Amended and Restated Bylaws or pursuant to Florida law or other contractual arrangements providing for indemnification which we may enter into from time to time, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our Class A Common Stock, Class B Common Stock and associated preferred share purchase rights that the shareholders of Parent will receive in the distribution. This information statement is a part of that registration statement and, as allowed by SEC rules, does not include all of the information you can find in the registration statement or the exhibits to the registration statement. For additional information relating to us and the spin-off, we refer you to the registration statement and its exhibits, which are available from the SEC as described below. Statements contained in this information statement as to the contents of any contract or document referred to are not necessarily complete and in each instance, if the contract or document is filed as an exhibit to the registration statement, we refer you to the copy of the contract or other document so filed. We qualify each statement in all respects by the relevant reference.

We will maintain a website at   . Our website and the information contained on or connected to that site do not and will not constitute part of, and are not incorporated into, this information statement or the registration statement on Form 10 of which this information statement is a part.

As a result of the distribution, we will become subject to the information and reporting requirements of the Exchange Act and, accordingly, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. The registration statement referred to above, including its exhibits, is, and our future filings with the SEC will be, available to the public on the Internet website maintained by the SEC at www.sec.gov. In addition, we plan to make available, free of charge, on our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, reports filed under Section 16 of the Exchange Act and amendments to those reports as soon as reasonably practicable after we electronically file or furnish those materials to the SEC.

We intend to furnish holders of our Class A Common Stock and Class B Common Stock with annual reports containing consolidated financial statements prepared in accordance with GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or in the documents incorporated by reference herein. We have not authorized any person to provide you with different information or to make any representation not contained in, or incorporated by reference into, this information statement and, if given or made, such information or representation must not be relied upon as having been authorized by us or Parent. Neither the delivery of this information statement nor consummation of the spin-off shall under any circumstances create any implication that there has been no change in our affairs or those of Parent since the date of this information statement, or that the information in this information statement is correct as of any time after its date.

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BBX CAPITAL FLORIDA LLC AND SUBSIDIARIES

AUDITED COMBINED CARVE-OUT FINANCIAL STATEMENTS

UNAUDITED COMBINED CARVE-OUT FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholder and Audit Committee of Shareholder
BBX Capital Florida LLC

Opinion on the financial statements

We have audited the accompanying combined carve-out statements of financial condition of BBX Capital Florida LLC (a Florida limited liability company) and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related combined carve-out statements of operations and comprehensive income (loss), statements of changes in equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the combined carve-out financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Change in accounting principle

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Codification Topic 842, Leases.

COVID-19 Outbreak

We draw attention to Note 21 to the combined financial statements, which describes the uncertainty related to the COVID-19 pandemic and impact on the Company's business.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.

Fort Lauderdale, Florida
June 17, 2020

BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Financial Condition

(in thousands)	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 20,723	22,103
Restricted cash	529	966
Trade accounts receivable, net	13,104	18,293
Trade inventory	22,843	20,046
Real estate ($11,297 in 2019 and $20,202 in 2018 held for sale)	65,818	54,956
Investments in unconsolidated real estate joint ventures	57,330	64,738
Property and equipment, net	29,836	33,007
Goodwill	37,248	37,248
Intangible assets, net	6,671	7,331
Operating lease assets	87,082	—
Due from parent	—	1,922
Other assets	16,051	28,974
Deferred tax asset, net	3,280	4,749
Discontinued operations total assets	992	15,619
Total assets	$ 361,507	309,952
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	$ 10,104	10,513
Accrued expenses	14,115	10,761
Other liabilities	6,336	8,317
Due to parent	1,362	—
Operating lease liability	99,568	—
Notes payable and lines-of-credit	42,736	37,496
Discontinued operations total liabilities	1,041	2,756
Total liabilities	175,262	69,843
Commitments and contingencies (See Note 16)		
Redeemable noncontrolling interest	4,009	2,579
Equity:		
Parent’s equity	179,681	235,415
Accumulated other comprehensive income	1,554	1,216
Noncontrolling interests	1,001	899
Total equity	182,236	237,530
Total liabilities and equity	$ 361,507	309,952

See Notes to Combined Carve-Out Financial Statements

BBX Capital Florida LLC and Subsidiaries
For the Years Ended December 31, 2019, 2018 and 2017

Combined Carve-Out Statements of Operations and Comprehensive Income (Loss)

(in thousands)	For the Years Ended December 31, 2019	2018	2017
Revenues:			
Trade sales	$ 180,319	175,499	141,834
Sales of real estate inventory	5,049	21,771	—
Interest income	811	2,338	2,265
Net gains on sales of real estate assets	13,616	4,563	1,451
Other revenue	3,929	4,394	6,486
Total revenues	203,724	208,565	152,036
Costs and Expenses:			
Cost of trade sales	125,735	124,223	107,245
Cost of real estate inventory sold	2,643	14,116	—
Interest expense	433	803	593
Recoveries from loan losses, net	(5,428)	(8,653)	(7,546)
Impairment losses	189	4,718	7,482
Selling, general and administrative expenses	89,655	90,919	70,294
Total costs and expenses	213,227	226,126	178,068
Operating losses	(9,503)	(17,561)	(26,032)
Equity in net earnings of unconsolidated real estate joint ventures	37,898	14,194	12,541
Other income	665	277	220
Foreign exchange (loss) gain	(75)	68	(193)
Income (loss) from continuing operations before income taxes	28,985	(3,022)	(13,464)
Provision for income taxes	(8,334)	(2,865)	(1,306)
Income (loss) from continuing operations	20,651	(5,887)	(14,770)
Discontinued Operation (See Note 19)			
Loss from operations	(9,434)	(4,529)	(2,454)
Benefit for income taxes	2,296	949	1,115
Loss from discontinued operations	(7,138)	(3,580)	(1,339)
Net income (loss)	13,513	(9,467)	(16,109)
Less: Net loss attributable to noncontrolling interests	224	266	20
Net income (loss) attributable to Parent	$ 13,737	(9,201)	(16,089)
Net income (loss)	$ 13,513	(9,467)	(16,109)
Other comprehensive income, net of tax:			
Unrealized gain (loss) on securities available for sale	51	(46)	141
Foreign currency translation adjustments	287	(194)	595
Other comprehensive gain (loss), net	338	(240)	736
Comprehensive income (loss), net of tax	13,851	(9,707)	(15,373)
Less: Comprehensive loss attributable to noncontrolling interests	224	266	20
Comprehensive income (loss) attributable to Parent	$ 14,075	(9,441)	(15,353)

See Notes to Combined Carve-Out Financial Statements

BBX Capital Florida LLC and Subsidiaries
For the Years Ended December 31, 2019, 2018 and 2017

Combined Carve-Out Statements of Changes in Equity

(in thousands)	For each of the Years in the Three Years Ended December 31, 2019			
	Parent's Equity	Accumulated Other Comprehensive income	Noncontrolling Interest	Total Equity
Balance at December 31, 2016	$211,237	1,049	77	212,363
Net loss excluding $176 of earnings attributable to redeemable noncontrolling interest	(16,089)	—	(196)	(16,285)
Other comprehensive income	—	736	—	736
Noncontrolling interest distributions	—	—	(119)	(119)
Net transfers from parent	42,111	—	—	42,111
Balance at December 31, 2017	237,259	1,785	(238)	238,806
Cumulative effect from the adoption of ASU 2016-01	329	(329)	—	—
Net loss excluding $369 of loss attributable to redeemable noncontrolling interest	(9,201)	—	103	(9,098)
Other comprehensive loss	—	(240)	—	(240)
Purchase of noncontrolling interest	(587)	—	329	(258)
Increase in noncontrolling interest from loan foreclosures	—	—	705	705
Net transfers from parent	7,615	—	—	7,615
Balance at December 31, 2018	235,415	1,216	899	237,530
Cumulative effect from the adoption of ASU 2016-02 net of income taxes and redeemable noncontrolling interest	(2,202)	—	—	(2,202)
Accretion of redeemable noncontrolling interest	(1,902)	—	—	(1,902)
Net income excluding $326 of loss attributable to redeemable noncontrolling interest	13,737	—	102	13,839
Other comprehensive income	—	338	—	338
Net transfers to parent	(65,367)	—	—	(65,367)
Balance at December 31, 2019	$179,681	1,554	1,001	182,236

See Notes to Combined Carve-Out Financial Statements

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BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Cash Flows

(in thousands)	For the Years Ended December 31, 2019	2018	2017
Operating activities:			
Net income (loss)	$ 13,513	(9,467)	(16,109)
Adjustment to reconcile net income to net cash provided by (used in) operating activities:			
Recoveries from loan losses, net	(5,428)	(8,653)	(7,546)
Depreciation, amortization and accretion, net	8,008	8,322	6,005
Net gains on sales of real estate and property and equipment	(13,305)	(4,563)	(2,502)
Equity earnings of unconsolidated real estate joint ventures	(37,898)	(14,194)	(12,541)
Return on investment in unconsolidated real estate joint ventures	39,043	17,679	12,852
Decrease in deferred income tax asset, net	2,343	1,084	1,912
Impairment losses	6,938	4,718	6,873
Decrease (increase) in trade receivable	5,190	(2,323)	39
(Increase) decrease in trade inventory	(2,733)	3,882	(2,261)
(Increase) decrease in real estate inventory	(7,445)	12,001	(273)
Net change in operating lease asset and operating lease liability	515	—	—
Decrease (increase) in other assets	6,817	2,197	(696)
(Decrease) increase in accounts payable	(596)	1,648	1,883
Net change in due/from to parent	3,284	(1,282)	(1,326)
Increase in accrued expenses	927	1,638	4,512
Increase (decrease) in other liabilities	3,496	(1,480)	(4,210)
Net cash provided by (used in) operating activities	22,669	11,207	(13,388)
Investing activities:			
Return of investment in unconsolidated real estate joint ventures	31,442	12,080	6,440
Investments in unconsolidated real estate joint ventures	(25,179)	(29,187)	(5,194)
Proceeds from repayment of loans receivable	6,339	19,394	11,168
Proceeds from sales of real estate held-for-sale	23,512	17,431	15,081
Proceeds from sales of property and equipment	11,762	569	341
Additions to real estate held-for-sale and held-for-investment	(600)	(1,221)	(1,642)
Purchases of property and equipment	(11,091)	(12,796)	(6,664)
Cash paid for acquisition, net of cash received	—	—	(58,418)
Decrease in cash from other investing activities	(222)	(4,696)	(380)
Net cash provided by (used in) investing activities	35,963	1,574	(39,268)

(Continued)

BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Cash Flows

(in thousands)	For the Years Ended December 31, 2019	2018	2017
Financing activities:			
Repayments of notes payable and other borrowings	(3,947)	(18,037)	(2,362)
Proceeds from notes payable and other borrowings	1,983	721	7,344
Payments for debt issuance costs	(96)	(125)	—
Purchase of noncontrolling interest	—	(258)	—
Noncontrolling interest distributions	—	—	(119)
Net transfers (to) from parent	(65,367)	7,615	42,111
Net cash (used in) provided by financing activities	(67,427)	(10,084)	46,974
(Decrease) increase in cash, cash equivalents and restricted cash	(8,795)	2,697	(5,682)
Cash, cash equivalents and restricted cash at beginning of period	30,082	27,385	33,067
Cash, cash equivalents and restricted cash at end of period	$ 21,287	30,082	27,385
Supplemental cash flow information:			
Interest paid on borrowings, net of amounts capitalized	$ 721	854	2,253
Income taxes paid	1,227	678	2,236
Supplementary disclosure of non-cash investing and financing activities:			
Construction funds receivable transferred to real estate	18,318	14,548	11,276
Loans receivable transferred to real estate	333	1,673	1,365
Increase in other assets upon issuance of Community Development District Bonds	8,110	15,996	—
Assumption of Community Development District Bonds by builders	1,035	5,572	—
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	20,723	22,103	19,795
Restricted cash	529	966	609
Cash discontinued operations	35	7,013	6,981
Total cash, cash equivalents, and restricted cash	$ 21,287	30,082	27,385

See Notes to Combined Carve-Out Financial Statements

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

1. Organization

BBX Capital Florida LLC and its subsidiaries (the "Company" or, unless otherwise indicated or the context otherwise requires, "we," "us," or "our") is a Florida-based diversified holding company. BBX Capital Florida LLC as a standalone entity without its subsidiaries is referred to as "New BBX Capital."

New BBX Capital is currently wholly owned by BBX Capital Corporation ("BBX Capital" or "Parent") and includes subsidiaries which hold or will hold substantially all of the BBX Capital's investments other than its investment in Woodbridge Holdings Corporation ("Woodbridge"), which owns greater than 90% of the common stock of Bluegreen Vacations Corporation. BBX Capital previously formed New BBX Capital and merged the former BBX Capital Corporation ("BCC") into it in December 2016.

On June 17, 2020, the Parent announced plans tospin-off the Company to its stockholders through a pro rata distribution of the Company's stock to the Parent's existing shareholders. The spin-off transaction is expected to be taxable to the Parent's stockholders. The distribution is subject to the satisfaction or waiver of certain conditions, including, among other things, final approval of the distribution by the Parent's shareholders, the Information Statement on Form 10, of which these financial statements form a part, being declared effective by the Securities and Exchange Commission ("SEC"), and New BBX Capital's common stock being approved for listing on a national securities exchange.

Principal Investments

New BBX Capital's principal investments include BBX Capital Real Estate LLC ("BBX Capital Real Estate"), BBX Sweet Holdings, LLC ("BBX Sweet Holdings"), and Renin Holdings, LLC ("Renin").

BBX Capital Real Estate

BBX Capital Real Estate is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, including investments in multifamily apartment and townhome communities, single-family master-planned communities, and commercial properties located primarily in Florida. In addition, BBX Capital Real Estate owns a 50% equity interest in The Altman Companies, LLC (the "Altman Companies"), a developer and manager of multifamily apartment communities, and manages the legacy assets acquired in connection with BCC's sale of BankAtlantic in 2012, including portfolios of loans receivable, real estate properties.

BBX Sweet Holdings

BBX Sweet Holdings is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, Hoffman's Chocolates, and Las Olas Confections and Snacks. IT'SUGAR is a specialty candy retailer which operates approximately 100 retail locations, which include a mix of high-traffic resort and entertainment, lifestyle, mall/outlet, and urban locations in over 25 states and Washington D.C., and its products include bulk candy, candy in giant packaging, and novelty items. Hoffman's Chocolates is a retailer of gourmet chocolates with retail locations in South Florida, and Las Olas Confections and Snacks is a manufacturer and wholesaler of chocolate and other confectionery products.

Renin

Renin is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products and operates through its headquarters in Canada and two manufacturing and distribution

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

facilities in the United States and Canada. In addition to its own manufacturing, Renin also sources various products and raw materials from China. During the year ended December 31, 2019, Renin's total revenues included $36.0 million of trade sales to two major customers and their affiliates and $18.4 million of revenues generated outside the United States. Renin's properties and equipment located outside the United States had a carrying amount of $1.6 million as of December 31, 2019.

Other

In addition to its principal investments, the Company has investments in other operating businesses, including a restaurant located in South Florida that was acquired through a loan foreclosure and an insurance agency, and previously operated pizza restaurant locations as a franchisee of MOD Super Fast Pizza ("MOD Pizza"), as described below.

In 2016, Food for Thought Restaurant Group ("FFTRG"), a wholly owned subsidiary of New BBX Capital, entered into area development and franchise agreements with MOD Pizza related to the development of up to approximately 60 MOD Pizza franchised restaurant locations throughout Florida. Through 2019, FFTRG had opened nine restaurant locations. As a result of FFTRG's overall operating performance and the Company's goal of streamlining its investment verticals, the Company entered into an agreement with MOD Pizza to terminate the area development and franchise agreements and transferred seven of its restaurant locations, including the related assets, operations, and lease obligations, to MOD Pizza during the third quarter of 2019. In addition, the Company closed the remaining two locations and terminated the related lease agreements. In connection with the transfer of the seven restaurant locations to MOD Pizza, the Company recognized an aggregate impairment loss of $4.0 million related to the disposal group, which included property and equipment, intangible assets, and net lease liabilities. In addition, prior to the transaction, the Company previously recognized $2.7 million of impairment losses associated with property and equipment at three restaurant locations. Accordingly, the Company recognized $6.7 million of impairment losses associated with its investment in MOD Pizza restaurant locations during the year ended December 31, 2019. FFTRG's operations as a franchisee of MOD Pizza are presented as discontinued operations in the Company's combined financial statements.

Basis of Presentation

The accompanying combined carve-out financial statements of the Company include the combined financial statements of New BBX Capital and its subsidiaries, including BBX Capital Real Estate, BBX Sweet Holdings, Renin, and FFTRG, as well as certain subsidiaries in which ownership is expected to be transferred from the Parent in connection with the spin-off transaction described above.

These combined carve-out financial statements have been derived from the accounting records of these companies and should be read with the accompanying notes thereto. Further, the combined carve-out financial statements do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Company been a separate entity nor are they indicative of the future results of the Company.

The majority of the assets, liabilities, revenues, expenses, and cash flows of the Company have been identified based on the existing legal entities. However, the historical costs and expenses reflected in the financial statements also include an allocation for certain corporate and shared service functions historically provided by the Parent. These expenses have been allocated to the Company on the basis of direct usage when identifiable, while the remainder of the expenses, including costs related to executive compensation, were allocated primarily on a pro-rata basis of combined revenues and equity in earnings of unconsolidated joint ventures of the Parent and its subsidiaries. The Company believes that the assumptions underlying the combined carve-out financial

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statements, including the assumptions regarding the allocation of general corporate expenses from the Parent, are reasonable. However, the combined carve-out financial statements may not include all of the actual expenses that would have been incurred had the Company been operating as a standalone company during the periods presented. Actual costs that would have been incurred if the Company operated as a standalone company would depend on multiple factors, including organizational structure, technology infrastructure, and strategic direction. The Company also may incur additional costs associated with being a public company that are not reflected in the accompanying financial statements.

2. Summary of Significant Accounting Policies

Consolidation Policy—The combined carve-out financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of New BBX Capital's wholly-owned subsidiaries, other entities in which New BBX Capital or its subsidiaries hold controlling financial interests, and any VIEs in which New BBX Capital or one of its consolidated subsidiaries is deemed the primary beneficiary of the VIE. All significant inter-company accounts and transactions have been eliminated.

Use of Estimates—The preparation of GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management evaluates its estimates, including those that relate to the recognition of revenue; the allowance for bad debt; the recovery of the carrying value of real estate; the measurement of assets and liabilities at fair value, including amounts recognized in business combinations and items measured at fair value on a non-recurring basis, such as intangible assets, goodwill, and real estate; the amount of the deferred tax valuation allowance and accounting for uncertain tax positions; and the estimate of contingent liabilities related to litigation and other claims and assessments. Management bases its estimates on historical experience and on other various assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions and conditions.

Cash and Cash Equivalents, and Restricted Cash—Cash equivalents consist of demand deposits at financial institutions, money market funds, and other short-term investments with original maturities at the time of purchase of 90 days or less. Cash in excess of the Company's immediate operating requirements are generally invested in short-term time deposits and money market instruments that typically have original maturities at the date of purchase of three months or less. Restricted cash consists primarily of cash held at financial institutions associated with our insurance subsidiary or with borrowings. Cash and cash equivalents are maintained at various financial institutions located throughout the United States and Canada, in amounts exceeding the $250,000 federally insured limit. Accordingly, the Company is subject to credit risk. Management performs periodic evaluations of the relative credit standing of financial institutions maintaining the Company's deposits to evaluate and, if necessary, take actions in an attempt to mitigate credit risk.

Revenue Recognition

Trade sales—Revenue is recognized on trade sales as follows:

- Revenue is recognized on wholesale trade sales when control of the products is transferred to customers, which generally occurs when the products are shipped or the customers accept delivery. Wholesale trade sales typically have payment terms between 10 and 90 days. Certain customer trade sale contracts have

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provisions for right of return, volume rebates, and price concessions. These types of discounts are accounted for as variable consideration, and the Company uses the expected value method to calculate the estimated reduction in the trade sales revenue. The inputs used in the expected value method include historical experience with the customer, sales forecasts, and outstanding purchase orders.

- Revenue is recognized on retail trade sales at the point of sale, which occurs when products are sold at the Company's retail locations.
- Sales and other taxes imposed by governmental authorities that are collected by the Company from customers are excluded from revenue or the transaction price.
- Shipping and handling activities that occur after the control of goods is transferred to a customer are accounted for as fulfillment activities instead of a separate performance obligation.
- Revenue is not adjusted for the effects of a significant financing component if the Company expects, at the contract inception, that the performance obligation will be satisfied within one year or less.

Sales of real estate inventory—Revenue is generally recognized on sales of real estate inventory to customers when the sales are closed and title passes to the buyer. The Company generally receives payment from the sale of real estate inventory at the date of closing. In addition, certain real estate sales contracts provide for a contingent purchase price. The contingent purchase price in contracts pursuant to which the Company sells developed lots to homebuilders is generally calculated as a percentage of the proceeds that the homebuilders receive from sales to their own customers, and the Company does not receive payment of such amounts until the homebuilders close on such sales. The Company accounts for the contingent purchase price in these contracts as variable consideration and estimates the amount of such consideration that may be recognized upon the closing of the real estate transaction based on the expected value method. The estimate of variable consideration is recognized as revenue to the extent that it is not probable that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty associated with the variable consideration is subsequently resolved. The inputs used in the expected value method include current sales prices (net of incentives), historical contingent purchase price receipts, and sales contracts on similar properties.

Interest income—Interest income from loans receivable originated by the Company is recognized on accruing loans when management determines that it is probable that all of the principal and interest will be collected in accordance with the loan's contractual terms. Interest income is recognized on non-accrual loans on a cash basis. Loans receivable are included in other assets in the Company's combined carve-out statements of financial condition.

Net gains on sales of real estate assets—Net gains on sales of real estate assets represents sales of assets to non-customers. Gains (or losses) are recognized from sales to non-customers when the control of the asset has been transferred to the buyer, which generally occurs when title passes to the buyer.

Trade Accounts Receivable and Allowance for Bad Debts—Accounts receivable are stated at the amounts billed to customers for sale of goods or services with a contractual maturity of one year or less. The Company provides an allowance for bad debts. This allowance is based on a review of outstanding receivables, historical collection information, and an evaluation of existing economic conditions impacting the Company's customers. Accounts receivable are ordinarily due 30 to 60 days after the issuance of the invoice (based on terms). Accounts receivable are considered delinquent after 30 days past the due date. These delinquent receivables are monitored and are charged to the allowance for bad debts based on an evaluation of individual circumstances of the customer. Account balances are written off after collection efforts have been made and the potential recovery is considered remote.

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Trade Inventories—Trade inventory is measured at the lower of cost or market. Cost includes all costs of conversions, including materials, direct labor, production overhead, depreciation of equipment, and shipping costs. Raw materials are not written down unless the goods in which they are incorporated are expected to be sold for less than cost, in which case, they are written down by reference to replacement cost of the raw materials. Finished goods and work in progress are stated at the lower of cost or market determined on a first-in, first-out or average cost basis. Shipping and handling fees billed to customers are recorded as trade sales, and shipping and handling fees paid by the Company are recorded as cost of goods sold.

In valuing inventory, the Company makes assumptions regarding the write-downs required for excess and obsolete inventory based on judgments and estimates formulated from available information. Estimates for excess and obsolete inventory are based on historical and forecasted usage. Inventory is also examined for upcoming expiration, and write-downs are recorded where appropriate. At December 31, 2019 and 2018, the reserve for inventory was $0.9 million and $0.5 million, respectively.

Real Estate—From time to time, the Company acquires real estate or takes possession or ownership of real estate through the foreclosure of collateral on loans receivable. Such real estate is classified as real estate held-for-sale, real estate held-for-investment, or real estate inventory. When real estate is classified as held-for-sale, it is initially recorded at fair value less estimated selling costs and subsequently measured at the lower of cost or estimated fair value less selling costs. When real estate is classified as held-for-investment, it is initially recorded at fair value and, if applicable, is depreciated in subsequent periods over its useful life using the straight-line method. Real estate is classified as real estate inventory when the property is under development for sale to customers and is measured at cost, including costs of improvements and amenities incurred subsequent to acquisition, capitalized interest and real estate taxes, and other costs incurred during the construction period. Expenditures for capital improvements are generally capitalized, while the ongoing costs of owning and operating real estate are charged to selling, general and administrative expenses as incurred. Impairments required on loans receivable at the time of foreclosure of real estate collateral are charged to the allowance for loan losses, while impairments of real estate required under ASC 360 to reflect subsequent declines in fair value are recorded as impairment losses in the Company's combined carve-out statements of operations and comprehensive income.

Investments in Unconsolidated Real Estate Joint Ventures—The Company uses the equity method of accounting to record its equity investments in entities in which it has significant influence but does not hold a controlling financial interest, including equity investments in VIEs in which the Company is not the primary beneficiary. Under the equity method, an investment is reflected on the statement of financial condition of an investor as a single amount, and an investor's share of earnings or losses from its investment is reflected in the statement of operations as a single amount. The investment is initially measured at cost and subsequently adjusted for the investor's share of the earnings or losses of the investee and distributions received from the investee. The investor recognizes its share of the earnings or losses of the investee in the periods in which they are reported by the investee in its financial statements rather than in the period in which an investee declares a distribution. Intra-entity profits and losses on assets still remaining with an investor or investee are eliminated.

The Company recognizes its share of earnings or losses from certain equity method investments based on the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, earnings or losses are recognized based on how an entity would allocate and distribute its cash if it were to sell all of its assets and settle its liabilities for their carrying amounts and liquidate at the reporting date. The HLBV method is used to calculate the Company's share of earnings or losses from equity method investments when the contractual cash disbursements are different than the investors' equity interest.

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The Company capitalizes interest expense on investments in and advances or loans to real estate joint ventures accounted for under the equity method that have commenced qualifying activities, such as real estate development projects. The capitalization of interest expense ceases when the investee completes its qualifying activities, and total capitalized interest expense cannot exceed interest expense incurred.

The Company reviews its investments on an ongoing basis for indicators of other-than-temporary impairment. This determination requires significant judgment in which the Company evaluates, among other factors, the fair market value of its investments, general market conditions, the duration and extent to which the fair value of an investment is less than cost, and the Company's intent and ability to hold an investment until it recovers. The Company also considers specific adverse conditions related to the financial health and business outlook of the investee, including industry and market performance, rating agency actions, and expected future operating and financing cash flows. If a decline in the fair value of an investment is determined to be other-than-temporary, an impairment loss is recorded to reduce the investment to its fair value, and a new cost basis in the investment is established.

Property and Equipment, net—Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is generally 3 years for computer equipment, 3 to 5 years for software, 5 years for furniture and fixtures, and 7 to 10 years for manufacturing equipment. The cost of leasehold improvements is depreciated using the straight-line method over the shorter of the terms of the related leases or the estimated useful lives of the improvements. Costs for new property, leasehold improvements, and equipment, as well as major renewals and betterments, are capitalized, while costs for maintenance and repairs are expensed as incurred.

Long-Lived Assets**—**The Company evaluates its long-lived assets, including property and equipment, definite-lived intangible assets, andright-of-use assets associated with its lease agreements, for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Factors which could indicate that an asset (or asset group) may not be recoverable include, but are not limited to, significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets, and significant negative industry or economic trends. The carrying amount of an asset (or asset group) is not considered recoverable when the carrying amount exceeds the sum of the undiscounted cash flows expected to result from the use of the asset (or asset group). To the extent that the carrying amount of an asset (or asset group) exceeds the sum of such undiscounted cash flows, an impairment loss is measured and recorded based on the amount by which the carrying amount of the asset (or asset group) exceeds its fair value. Impairment losses associated with an asset group are allocated to long-lived assets within the asset group based on their relative carrying amounts; however, the carrying amounts of individual long-lived assets within an asset group are not reduced below their individual fair values.

To the extent that impairment testing is required, the Company estimates the fair values of its trademark and customer relationship intangible assets. The relief from royalty valuation method, a form of the income approach, is used to estimate the fair value of trademarks. Under this method, the fair value of trademarks is determined by calculating the present value using a risk-adjusted discount rate of the estimated future royalty payments that would have to be paid if the trademarks were not owned. The multi-period excess earnings method, a form of the income approach, is used to estimate the fair value of customer relationships. The multi-period excess earnings method isolates the expected cash flows attributable to the customer relationship intangible asset and discounts these cash flows at a risk adjusted discount rate.

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As the carrying amounts of the Company's long-lived assets and definite-lived intangible assets are dependent upon estimates of future cash flows that they are expected to generate, these assets may be impaired if cash flows decrease significantly or do not meet expectations, in which case they would be written down to their estimated fair values. The estimates of useful lives and expected cash flows require the Company to make significant judgments regarding future periods that are subject to a number of factors, many of which are beyond the Company's control.

Goodwill—The Company recognizes goodwill upon the acquisition of a business when the fair values of the consideration transferred and any noncontrolling interests in the acquiree are in excess of the fair value of the acquiree's identifiable net assets. The Company tests goodwill for potential impairment on an annual basis as of December 31 or during interim periods if impairment indicators exist. The Company first assesses qualitatively whether it is necessary to perform goodwill impairment testing. Impairment testing is performed when it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The Company evaluates various factors affecting a reporting unit in its qualitative assessment, including, but not limited to, macroeconomic conditions, industry and market considerations, cost factors, and financial performance. If the Company concludes from its qualitative assessment that goodwill impairment testing is required, the fair value of the reporting unit is compared to its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, the Company records an impairment loss for the excess amount, although the impairment loss is limited to the amount of goodwill allocated to the reporting unit.

The Company generally applies an income approach utilizing a discounted cash flow methodology and a market approach utilizing a guideline public company and transaction methodology to estimate the fair value of its reporting units. The estimated fair values obtained from the income and market approaches are compared and reviewed for reasonableness to determine a best estimate of fair value. The Company's discounted cash flow methodology establishes an estimate of fair value by estimating the present value of the projected future cash flows to be generated from a reporting unit. The discount rate applied to the projected future cash flows to arrive at the present value is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. The Company generally uses a five to ten-year period in computing discounted cash flow values. The most significant assumptions used in the discounted cash flow methodology are generally the terminal value, the discount rate, and the forecast of future cash flows. The guideline public company methodology establishes an estimate of fair value based upon the trading prices of public traded companies that are similar to the applicable reporting unit, while the guideline transaction methodology establishes an estimate of fair value based on acquisitions of companies that are similar to the applicable reporting unit. Under these methods, the Company develops multiples of revenue and earnings before interest, taxes, depreciation and amortization ("EBITDA") based upon the indicated enterprise value, revenues, and EBITDA of the guideline companies and makes adjustments to such multiples based on various considerations, including the financial condition, operating performance, and relative risk of the guideline companies. The adjusted multiples are then applied to the revenues and EBITDA of the reporting unit to develop an estimated fair value of the reporting unit. Depending on the facts and circumstances applicable to the reporting unit and the guideline companies, the Company may place greater emphasis on the income or market approach to determine its best estimate of fair value.

Inherent in the Company's determinations of fair value are certain judgments and estimates relating to future cash flows, including the Company's assessment of current economic indicators and market valuations, and assumptions about the Company's strategic plans with regard to its operating businesses. Due to the uncertainties associated with such evaluations, actual results could differ materially from such estimates.

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Operating Lease Assets and Operating Lease Liabilities—The Company recognizes right-of-use assets and lease liabilities associated with lease agreements with an initial term of greater than 12 months, while lease agreements with an initial term of 12 months or less are not recorded in the Company's combined carve-out statements of financial condition. The Company determines if an arrangement is a lease at inception. The operating lease assets represent the Company's right to use an underlying asset for the lease term, and operating lease liabilities represent the Company's obligation to make lease payments. Operating lease assets and liabilities are recognized when the Company takes possession of the underlying asset based on the present value of lease payments over the lease term. The Company generally does not include lease payments associated with renewal options that are exercisable at its discretion in the measurement of its operating lease assets and operating lease liabilities as it is not reasonably certain that such options will be exercised. The Company generally recognizes lease costs associated with its operating leases on a straight-line basis over the lease term, while variable lease payments that do not depend on an index or rate are recognized as variable lease costs in the period in which the obligation for those payments is incurred. The Company recognizes accrued straight-line rent and unamortized tenant allowances received from landlords associated with its operating leases as a reduction of the operated lease assets associated with such leases. The Company has lease agreements with lease and non-lease components which it generally accounts for as a single lease component for lease classification, recognition and measurement purposes.

***Cost of Trade Sales*—**Cost of trade sales includes the cost of inventory, shipping and handling, warehousing, and occupancy expenses related to the Company's retail locations and manufacturing facilities.

***Deferred Financing Costs*—**Deferred financing costs are comprised of costs incurred in connection with obtaining financing from third-party lenders and are presented in the Company's combined carve-out statements of financial condition as other assets or as a direct deduction from the carrying amount of the associated debt liability. These costs are capitalized and amortized to interest expense over the terms of the related financing arrangements. As of December 31, 2019 and 2018, unamortized deferred financing costs presented in other assets totaled $0.1 million and $0.2 million, respectively, while unamortized costs presented against the associated debt liabilities totaled $0.8 million and $0.7 million, respectively. Interest expense from the amortization of deferred financing costs for the years ended December 31, 2019, 2018 and 2017 was $72,000, $41,000, and $20,000, respectively.

***Income Taxes*—**The Company accounts for income taxes on a separate return basis and accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Income tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will either expire before the Company is able to realize the benefit, or that future deductibility is uncertain. If a valuation allowance is recorded, a subsequent change in circumstances that causes a change in judgment about the realization of the related deferred tax amount could result in the reversal of the deferred tax valuation allowance.

An uncertain tax position is defined as a position taken or expected to be taken in a tax return that is not based on clear and unambiguous tax law and which is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. The Company may recognize the tax benefit from an uncertain tax position only if it believes that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The Company measures the tax benefits recognized based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The Company recognizes interest and penalties related to unrecognized tax benefits in its provision for income taxes.

Noncontrolling Interests—Noncontrolling interests reflect third parties' ownership interests in entities that are combined in the Company's financial statements but are less than 100% owned by the Company. Noncontrolling interests are recognized as equity in the combined carve-out statement of financial condition and presented separately from the equity attributable to the Parent, while noncontrolling interests that are redeemable for cash at the holder's option or upon a contingent event outside of the Company's control are classified as redeemable noncontrolling interests and presented in the mezzanine section between total liabilities and equity in the combined carve-out statement of financial condition. The Company measures redeemable noncontrolling interests on an ongoing basis by accreting changes in the estimated redemption value of such interests from the date of issuance to the earliest redemption date and adjusts the carrying amount of such interests to the calculated value in the event that it is in excess of the carrying amount of such interests at such time.

A change in the ownership interests of a subsidiary is accounted for as an equity transaction if the Company retains its controlling financial interest in the subsidiary.

The amounts of combined carve-out net income and comprehensive income attributable to the Parent and noncontrolling interests are separately presented in the Company's combined carve-out statement of operations and comprehensive income.

Advertising and Marketing—Advertising and marketing costs are expensed as incurred. Advertising and marketing costs, which are included as selling, general and administrative expenses in the Company's combined carve-out statements of operations and comprehensive income (loss), were $2.5 million, $2.3 million and $1.5 million, respectively, for the years ended December 31, 2019, 2018 and 2017.

Accounting for Loss Contingencies—Loss contingencies, including those arising from legal actions, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated.

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued the following accounting pronouncements and guidance relevant to the Company's operations which have been adopted as of January 1, 2019:

ASU No. 2016-02—Leases (Topic 842). This standard, as subsequently amended and clarified by various ASUs, requires lessees to recognize assets and liabilities for the rights and obligations created by leases of assets. For income statement purposes, the standard retains a dual model which requires leases to be classified as either operating or finance based on criteria that are largely similar to those applied under prior lease accounting but without explicit bright lines. The standard also requires extensive quantitative and qualitative disclosures, including significant judgments and assumptions made by management in applying the standard, intended to provide greater insight into the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the standard on January 1, 2019 and applied the transition guidance as of the date of adoption under the current-period adjustment method. As a result, the Company recognized right-of-use assets and lease liabilities associated with its leases on January 1, 2019, with a cumulative-effect adjustment to the

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opening balance of accumulated earnings, while the comparable prior periods in the Company's financial statements have been and will continue to be reported in accordance with Topic 840, including the disclosures of Topic 840.

The standard includes a number of optional practical expedients under the transition guidance. The Company elected the package of practical expedients which allowed the Company to not reassess prior conclusions about lease identification, lease classification, and initial direct costs. The Company also made accounting policy elections by class of underlying asset to not apply the recognition requirements of the standard to leases with terms of 12 months or less and to not separate non-lease components from lease components. Consequently, each separate lease component and the non-lease components associated with that lease component is accounted for as a single lease component for lease classification, recognition, and measurement purposes.

Upon adoption of the standard on January 1, 2019, the Company recognized a lease liability of $95.3 million and a right-of-use asset of $86.4 million. The difference between the lease liability and right-of-use asset primarily reflects the reclassification of accrued straight-line rent and unamortized tenant allowances from other liabilities in the Company's combined carve-out statement of financial condition to a reduction of the right-of-use asset. In addition, the Company recognized an impairment loss of $3.4 million in connection with the recognition of right-of-use assets for certain IT'SUGAR retail locations as a cumulative-effect adjustment to the opening balance of accumulated earnings. The implementation of the standard did not have a material impact on the Company's combined carve-out statement of operations and comprehensive income or statement of cash flows. See Note 11 for additional information regarding the Company's lease agreements.

Future Adoption of Recently Issued Accounting Pronouncements

The FASB has issued the following accounting pronouncements and guidance relevant to the Company's operations which have not been adopted as of December 31, 2019:

ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments (as subsequently amended and clarified by various ASUs). This standard introduces an approach of estimating credit losses on certain types of financial instruments based on expected losses and expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating its allowance for bad debts. The Company adopted this standard on January 1, 2020 using a modified retrospective method. The Company did not recognize a cumulative effect adjustment upon adoption of the standard as the standard did not have a material impact on the Company's allowance for bad debts. The Company also elected the practical expedient to not measure an allowance for credit losses for accrued interest receivables, as the Company's interest income is suspended, and previously accrued but unpaid interest income is reversed, on all delinquent notes receivable when principal or interest payments are more than 90 days contractually past due and not resumed until such loans are less than 90 days past due. As such, the adoption of the standard did not have a material impact on the Company's combined carve-out financial statements.

ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. This standard removes specific exceptions to the general principles in Topic 740 including exceptions related to (i) the incremental approach for intraperiod tax allocations, (ii) accounting for basis differences when there are ownership changes in foreign investments, and (iii) interim period income tax accounting for year-to-date losses that exceed anticipated losses. The statement is effective for the Company on January 1, 2021 and interim periods within that fiscal year. Early adoption is permitted. The Company is currently evaluating the impact that ASU 2019-12 may have on its combined carve-out financial statements.

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ASU 2018-15, Intangibles (Topic 350-40): Goodwill and Other – Internal–Use Software. This standard requires a customer in a cloud computing arrangement that is a service contract ("CCA") to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. The standard also requires entities to present implementation costs related to a CCA in the same financial statement line items as the CCA service fees. The Company adopted this standard on January 1, 2020 and is applying the transition guidance as of the date of adoption prospectively, under the current period adjustment method. The adoption of the standard is not expected to have a material impact on the Company's combined carve-out financial statements.

ASU No. 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. This standard modifies the disclosure requirements in Topic 820 related to the valuation techniques and inputs used in fair value measurements, uncertainty in measurement, and changes in measurements applied. This standard was effective for the Company on January 1, 2020, and the adoption of the standard is not expected to have a material impact on the Company's combined carve-out financial statements and disclosures.

3. Acquisition

Acquisition of IT'SUGAR

On June 16, 2017, BBX Sweet Holdings acquired IT'SUGAR, a specialty candy retailer with approximately 100 retail locations in over 25 states and Washington, D.C., through the acquisition of all of its Class A Preferred Units and 90.4% of its Class B Common Units for cash consideration of approximately $58.4 million, net of cash acquired. The remaining 9.6% of IT'SUGAR's Class B Common Units is owned by JR Sugar Holdings, LLC ("JR Sugar"), an entity owned by the founder and CEO of IT'SUGAR.

The consolidated net assets and results of operations of IT'SUGAR are included in the Company's combinedcarve-out financial statements commencing on June 16, 2017 and resulted in the following impact to trade sales and income before income taxes from the acquisition date to December 31, 2017 (in thousands):

	June 16, 2017 to December 31, 2017
Trade sales	$ 46,765
Income before income taxes	$ 2,598

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Purchase Price Allocation

The Company accounted for the acquisition of IT'SUGAR using the acquisition method of accounting, which requires that the assets acquired and liabilities assumed associated with an acquiree be recognized at their fair values at the acquisition date. The following table summarizes the purchase price allocation based on the Company's valuation, including the fair values of the assets acquired, liabilities assumed, and the redeemable noncontrolling interest in IT'SUGAR at the acquisition date (in thousands):

Property and equipment	$18,747
Cash, inventory and other assets	12,212
Identifiable intangible assets(1)	4,512
Total assets acquired	35,471
Accounts payable and other liabilities	(5,370)
Identifiable intangible liabilities(2)	(716)
Total liabilities assumed	(6,086)
Fair value of identifiable net assets	29,385
Redeemable noncontrolling interest	(2,490)
Goodwill	35,164
Purchase consideration	62,059
Less: cash acquired	(3,641)
Cash paid for acquisition less cash acquired	$58,418
Acquisition-related costs included in selling, general and administrative expenses	$ 2,963

(1) Identifiable intangible assets were comprised of $4.2 million, $0.2 million and $0.1 million associated with IT'SUGAR's trademark, favorable operating lease agreements, and a noncompetition agreement, respectively.
(2) Identifiable intangible liabilities were comprised of unfavorable operating lease agreements.

The fair values reported in the above table were estimated by the Company using available market information and appropriate valuation methods. As considerable judgment is involved in estimates of fair value, the fair values presented above are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methods could have a material effect on the estimated fair value amounts.

The following summarizes the Company's methodologies for estimating the fair values of certain assets and liabilities associated with IT'SUGAR:

Property and Equipment

Property and equipment acquired consisted primarily of leasehold improvements at IT'SUGAR's retail locations. The fair value of the leasehold improvements and other equipment was estimated based on the replacement cost approach.

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Identifiable Intangible Assets and Liabilities

The identifiable intangible assets acquired primarily consisted of the fair value of IT'SUGAR's trademark, which was estimated using the relief-from-royalty method, a form of the income approach. Under this approach, the fair value was estimated by calculating the present value using a risk-adjusted discount rate of the expected future royalty payments that would have to be paid if the IT'SUGAR trademark was not owned.

The identifiable intangible assets and liabilities also included the fair value of IT'SUGAR's operating lease agreements associated with its retail stores. The fair values of these assets and liabilities were estimated by calculating the present value using a risk-adjusted discount rate of the difference between the contractual amounts to be paid pursuant to the lease agreements and the estimate of market lease rates at the acquisition date.

The $4.2 million trademark intangible asset is being amortized over 15 years, and the $0.2 million of favorable lease agreements and the $0.7 million of unfavorable lease agreements were being amortized over a weighted average period of 6.5 years. Upon the Company's adoption of the new lease accounting standard on January 1, 2019, the unamortized balances of the intangibles related to IT'SUGAR's lease agreements were reclassified and included in the measurement of the right-of-use assets associated with the applicable lease agreements. The noncompetition agreement is being amortized over five years.

Goodwill

The goodwill recognized in connection with the acquisition reflects the difference between the estimated fair value of the net assets acquired and the consideration paid by BBX Sweet Holdings to acquire IT'SUGAR. The goodwill recognized in the acquisition is deductible for income tax purposes.

Pro Forma Information (unaudited)

The following unaudited pro forma financial data presents the Company's revenues and earnings for the year ended December 31, 2017 as if the acquisition was completed on January 1, 2016 (in thousands):

	Pro Forma For the Year Ended December 31, 2017
Trade sales	$ 178,643
Loss from continuing operations before income taxes	$ (12,792)
Net loss(1)	$ (15,709)
Net loss attributable to Parent(1)	$ (15,658)

(1) The pro forma income before income taxes, net income, and net income attributable to the Parent for the year ended December 31, 2017 were adjusted to exclude $3.0 million of acquisition-related costs.

The unaudited pro forma financial data reported in the above table does not purport to represent what the actual results of the Company's operations would have been assuming that the acquisition date was January 1, 2016, nor does it purport to predict the Company's results of operations for future periods.

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Noncontrolling Interest

Under the terms of IT'SUGAR's operating agreement, JR Sugar may require the Company to purchase for cash its Class B Common Units of IT'SUGAR upon the occurrence of certain events, including events relating to the employment agreement between the Company and the CEO of IT'SUGAR, as described below. The purchase price payable by the Company for such Class B Common Units will be determined based on the circumstance giving rise to such purchase obligation in accordance with prescribed formulas set forth in IT'SUGAR's operating agreement. In addition, commencing on the seventh anniversary of the acquisition date, the Company shall have the right, but not the obligation, to require JR Sugar to sell its Class B Common Units to the Company in accordance with a prescribed formula set forth in IT'SUGAR's operating agreement.

As a result of the redemption features, JR Sugar's Class B Common Units are considered redeemable noncontrolling interests and reflected in the mezzanine section as a separate line item in the Company's combined carve-out statement of financial condition. As the noncontrolling interests are not currently subject to redemption but are probable of becoming redeemable in a future period, the Company is measuring the noncontrolling interests by accreting changes in the estimated purchase price from the acquisition date to the earliest redemption date and adjusts the carrying amount of such interests to equal the calculated value in the event it is in excess of the carrying amount of such interests at such time.

The redeemable noncontrolling interest included in the Company's combined carve-out statements of financial condition as of December 31, 2019 and 2018 was $4.0 million and $2.6 million, respectively.

Employment and Loan Agreements

In connection with the acquisition of IT'SUGAR, the Company entered into an employment agreement with the founder and CEO of IT'SUGAR for his continued services as CEO of IT'SUGAR. Upon the occurrence of certain events constituting a breach of the employment agreement by the CEO resulting in his termination, the Company may exercise its ability to purchase JR Sugar's Class B Common Units for cash for an amount equal to the lesser of the fair market value of such units determined in accordance with the prescribed formula set forth in IT'SUGAR's operating agreement and the initial value ascribed to such units at the acquisition date. Similarly, upon the occurrence of certain "not for cause" termination events associated with the termination of the CEO's employment, JR Sugar may require the Company to purchase its Class B Common Units for cash for an amount equal to the greater of the fair market value of such units determined in accordance with the prescribed formula set forth in IT'SUGAR's operating agreement and the initial value ascribed to such units at the acquisition date.

Concurrent with the acquisition, JR Sugar borrowed $2.0 million from the Company in the form of two promissory notes, as partial consideration for the purchase of its 9.6% ownership of IT'SUGAR's Class B Common Units. The notes mature on June 16, 2024, and a portion of the aggregate principal balance and accrued interest of such notes will be forgiven on an annual basis provided that IT'SUGAR's CEO continues to remain employed with the Company pursuant to his employment agreement. The notes receivable are presented as a deduction from the balance of the related Class B Common Units included in redeemable noncontrolling interests in the combined carve-out statements of financial condition.

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4. Trade Accounts Receivable

The Company's trade receivables consisted of the following (in thousands):

	December 31, 2019	2018
Trade receivables	$ 13,274	18,372
Allowance for bad debts	(170)	(79)
Total trade inventory	$ 13,104	18,293

5. Trade Inventory

The Company's trade inventory consisted of the following (in thousands):

	December 31, 2019	2018
Raw materials	$ 3,048	2,718
Paper goods and packaging materials	1,327	1,112
Finished goods	18,468	16,216
Total trade inventory	$ 22,843	20,046

6. Real Estate

The Company's real estate consisted of the following (in thousands):

	December 31, 2019	2018
Real estate held-for-sale	$ 11,297	20,202
Real estate held-for-investment	6,015	10,976
Real estate inventory	48,506	23,778
Total real estate	$ 65,818	54,956

The Company sold various real estate assets that were classified asheld-for-sale or held-for-investment, including its remaining land parcels located at PGA Station in Palm Beach Gardens, Florida and various land parcels located in Florida, as well as RoboVault, a self-storage facility in Fort Lauderdale, Florida that was previously classified in property and equipment. As a result of these sales, the Company recognized total net gains on sales of real estate of $13.6 million and received aggregate net proceeds of $35.2 million during the year ended December 31, 2019.

7. Investments in Unconsolidated Real Estate Joint Ventures

As of December 31, 2019, the Company has equity interests in unconsolidated real estate joint ventures involved in the development of multifamily apartment and townhome communities, as well as single-family master planned communities. In addition, the Company owns a 50% equity interest in the Altman Companies, a developer and manager of multifamily apartment communities.

Investments in unconsolidated real estate joint ventures are accounted for as unconsolidated VIEs.

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Notes to the Combined Carve-Out Financial Statements

Investments in unconsolidated real estate joint ventures consisted of the following (in thousands, except ownership percentages):

	December 31,		
	2019	Ownership(1)	2018
Altis at Lakeline - Austin Investors, LLC	$ 242%	34.47	$ 4,531
Altis at Grand Central Capital, LLC	2,653	11.07	2,549
Altis Promenade Capital, LLC	2,126	6.61	2,195
Altis at Bonterra - Hialeah, LLC	618	96.73	21,602
Altis Ludlam - Miami Investor, LLC	1,081	33.30	675
Altis Suncoast Manager, LLC	753	33.30	1,857
Altis Pembroke Gardens, LLC	1,277	0.41	1,284
Altis Fairways, LLC	1,880	0.42	1,876
Altis Wiregrass, LLC	1,792	2.22	1,897
Altis LH-Miami Manager, LLC	811	3.43	—
Altis Vineland Pointe Manager, LLC	4,712	50.00	—
Altis Miramar East/West	2,631	5.00	—
The Altman Companies, LLC(2)	14,745	50.00	14,893
ABBX Guaranty, LLC	3,750	50.00	2,500
Sunrise and Bayview Partners, LLC	1,562	50.00	1,439
PGA Design Center Holdings, LLC	996	40.00	691
CCB Miramar, LLC	5,999	70.00	1,575
BBX/Label Chapel Trail Development, LLC	1,126	46.75	4,515
L03/212 Partners, LLC	2,087	3.41	—
PGA Lender, LLC	2,111	45.88	—
Sky Cove, LLC	4,178	26.25	—
All other investments in real estate joint ventures	200		659
Total	$57,330		$64,738

(1) The Company's ownership percentage in each real estate joint venture represents the Company's percentage of the contributed capital in each venture. The operating agreements for many of these ventures provide for a disproportionate allocation of distributions to the extent that certain investors receive specified returns on their investments, and as a result, these percentages do not necessarily reflect the Company's economic interest in the expected distributions from such ventures.

(2) The investment in The Altman Companies, LLC includes $2.3 million of transaction costs that were incurred in connection with the formation of the joint venture. See additional information below in this Note 7 regarding the Company's acquisition of its interest in the Altman Companies, LLC.

Unconsolidated Variable Interest Entities

In accordance with the applicable accounting guidance for the consolidation of VIEs, the Company analyzes its investments in real estate joint ventures to determine if such entities are VIEs, and to the extent that such entities are VIEs, if the Company is the primary beneficiary. Based on the Company's analysis of the forecasted cash flows and structure of these ventures, including the respective operating agreements governing these entities and any relevant financial agreements, such as financing arrangements, the Company has determined that its real estate joint ventures are VIEs in which the Company is not the primary beneficiary, and therefore, the Company accounts for its investments in the real estate joint ventures under the equity method of accounting. The

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Company's conclusion that it is not the primary beneficiary of these entities is primarily based on the determination that the Company does not have the power to direct activities of the entities that most significantly affect their economic performance. In many of the joint ventures, the Company is not the operating manager and has limited protective rights under the operating agreements, while in certain joint ventures, the investors share decision-making authority in a manner that prevents any individual investor from exercising power over such entities.

The Company's maximum exposure to loss in its unconsolidated real estate joint ventures was $59.8 million as of December 31, 2019.

Basis Differences

The aggregate difference between the Company's investments in unconsolidated real estate joint ventures and its underlying equity in the net assets of such ventures was $9.2 million and $11.9 million as of December 31, 2019 and 2018, respectively, which includes $8.5 million and $10.3 million associated with the Company's investment in the Altman Companies and certain multifamily apartment developments which were acquired for cash consideration based on their estimated fair values as of the acquisition date, as described below, and $0.7 million and $1.6 million associated with the capitalization of interest on real estate development projects.

Equity in Net Earnings of Unconsolidated Real Estate Joint Ventures

For the years ended December 31, 2019, 2018 and 2017, the Company's equity in net earnings of unconsolidated real estate joint ventures was $37.9 million, $14.2 million and $12.5 million, respectively.

Equity earnings for the year ended December 31, 2019 includes $29.2 million and $5.0 million in equity earnings from the Altis at Bonterra and the Altis at Lakeline joint ventures, respectively, which includes the Company's share of gains recognized by the ventures upon the sale of their respective multifamily apartment communities. Equity earnings for the year ended December 31, 2018 includes $9.3 million in equity earnings from the Addison on Millenia joint venture, which includes the Company's share of the gain recognized by the venture upon the sale of its multifamily apartment community. Equity earnings for the year ended December 31, 2017 includes $11.0 million in equity earnings from the Hialeah Communities joint venture, which reflects the Company's share of the profits recognized by the venture upon the sale of single-family homes in its master planned community.

The Altman Companies, LLC

In November 2018, the Company acquired a 50% equity interest in the Altman Companies, a joint venture between the Company and Joel Altman ("JA") engaged in the development, construction, and management of multifamily apartment communities, for cash consideration of $14.6 million, including $2.3 million in transaction costs.

The Altman Companies owns 100% of the membership interests in Altman Development Company and Altman Management Company and 60% of the membership interests in Altman-Glenewinkel Construction and generates revenues from the performance of development, general contractor, leasing, and property management services to joint ventures that are formed to invest in development projects originated by the Altman Companies. In addition, the Company and JA invest in the managing member of such joint ventures based on their relative ownership percentages in the Altman Companies.

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Pursuant to the operating agreement of the Altman Companies, the Company will acquire an additional 40% equity interest in the Altman Companies from JA for a purchase price of $9.4 million in January 2023, and JA can also, at his option or in other predefined circumstances, require the Company to purchase his remaining 10% equity interest in the Altman Companies for $2.4 million. However, JA will retain his membership interests, including his decision making rights, in the managing member of any development joint ventures that are originated prior to the Company's acquisition of additional equity interests in the Altman Companies. In addition, in certain circumstances, the Company may acquire the 40% membership interests in Altman-Glenewinkel Construction that are not owned by the Altman Companies for a purchase price based on prescribed formulas in the operating agreement of Altman-Glenewinkel Construction.

Under the terms of the operating agreement of the Altman Companies, the venture is being jointly managed by the Company and JA until the Company's acquisition of the additional 40% equity interest from JA, with the partners sharing decision making authority for all significant operating and financing decisions. To the extent that the parties cannot reach consensus on a matter, the operating agreement generally provides that a third party will resolve such matter; however, for certain decisions, the operating agreement provides that the venture cannot proceed with such matters without approval from both parties.

In connection with its investment in the Altman Companies, the Company acquired interests in the managing member of seven multifamily apartment developments, including four developments in which the Company had previously invested as a non-managing member, for aggregate cash consideration of $8.8 million. In addition, the Company and JA have each contributed $3.8 million to ABBX Guaranty, LLC, a joint venture established to provide guarantees on the indebtedness and construction cost overruns of new real estate joint ventures formed by the Altman Companies.

Summarized Financial Information of Certain Unconsolidated Real Estate Joint Ventures

The tables below set forth financial information, including condensed statements of financial condition and operations, related to Altis at Bonterra – Hialeah, LLC (in thousands):

	December 31, 2019	December 31, 2018
Assets		
Cash	$ 855	3,777
Restricted cash	559	256
Real estate	—	55,734
Other assets	—	134
Total assets	$ 1,414	59,901
Liabilities and Equity		
Notes payable	$ —	38,641
Other liabilities	751	571
Total liabilities	751	39,212
Total equity	663	20,689
Total liabilities and equity	$ 1,414	59,901

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	For the Years Ended December 31,		
	2019	2018	2017
Total revenues	$ 4,498	6,510	1,851
Gain on sale of real estate	33,843	—	—
Other expenses	(4,480)	(5,937)	(2,657)
Net earnings (loss)	$33,861	573	(806)
Equity in net earnings (loss) of unconsolidated real estate joint venture—Altis at Bonterra - Hialeah, LLC	$29,221	544	(766)

The tables below set forth financial information, including condensed statements of financial condition and operations, related to Altis at Lakeline - Austin Investors, LLC (in thousands):

	December 31,	
	2019	2018
Assets		
Cash	$628	2,403
Restricted cash	5	229
Real estate	—	42,940
Other assets	144	108
Total assets	$777	45,680
Liabilities and Equity		
Notes payable	$—	33,467
Other liabilities	—	1,835
Total liabilities	—	35,302
Total equity	777	10,378
Total liabilities and equity	$777	45,680

	For the Years Ended December 31,		
	2019	2018	2017
Total revenues	$ 1,458	5,842	3,528
Gain on sale of real estate	17,178	—	—
Other expenses	(1,801)	(6,746)	(6,028)
Net earnings (loss)	$16,835	(904)	(2,500)
Equity in net earnings (loss) of unconsolidated real estate joint venture—Altis at Lakeline - Austin Investors, LLC	$ 5,029	(312)	(862)

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The tables below set forth financial information, including condensed statements of financial condition and operations, related to Hialeah Communities, LLC (in thousands):

	December 31, 2019	December 31, 2018
Assets		
Cash	$431	675
Properties and equipment	—	—
Other assets	—	—
Total assets	$431	675
Liabilities and Equity		
Notes payable	$—	—
Other liabilities	—	277
Total liabilities	—	277
Total equity	431	398
Total liabilities and equity	$431	675

	For the Years Ended December 31, 2019	2018	2017
Total revenues	$ 50	406	80,407
Costs of sales	—	(64)	(51,072)
Other expenses	(38)	(44)	(5,134)
Net earnings	$ 12	298	24,201
Equity in net earnings of unconsolidated real estate joint venture—Hialeah Communities, LLC	$ 5	55	11,043

The tables below set forth financial information, including condensed statements of financial condition and operations, related to Altis at Shingle Creek, LLC (in thousands):

	December 31, 2019	December 31, 2018
Assets		
Cash	$—	—
Properties and equipment	—	—
Other assets	—	—
Total assets	$—	—
Liabilities and Equity		
Notes payable	$—	—
Other liabilities	—	—
Total liabilities	—	—
Total equity	—	—
Total liabilities and equity	$—	—

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	For the Years Ended December 31,		
	2019	2018	2017
Net gain on sale of real estate	$—	22,027	—
Other revenues	—	1,704	4
Costs of sales	—	—	—
Other expenses	—	(2,156)	(254)
Net earnings (losses)	$—	21,575	(250)
Equity in net earnings (losses) of unconsolidated real estate joint venture—Altis at Shingle Creek, LLC	$—	3,401	(5)

The tables below set forth financial information, including condensed statements of financial condition and operations, related to BBX/Label Chapel Trail Development, LLC (in thousands):

	December 31,	
	2019	2018
Assets		
Cash	$ 1,725	876
Real estate	2,134	20,103
Other assets	6	6
Total assets	$ 3,865	20,985
Liabilities and Equity		
Notes payable	$ 184	9,286
Other liabilities	357	2,587
Total liabilities	541	11,873
Total equity	3,324	9,112
Total liabilities and equity	$ 3,865	20,985

	For the Years Ended December 31,		
	2019	2018	2017
Total revenues	$ 44,988	—	—
Costs of sales	(35,575)	—	—
Other expenses	(2,341)	(1,388)	(177)
Net earnings (losses)	$ 7,072	(1,388)	(177)
Equity in net earnings (losses) of unconsolidated real estate joint venture—BBX/Label Chapel Trail Development, LLC	$ 3,306	(649)	(83)

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8. Property and Equipment

Property and equipment consists of the following (in thousands):

	December 31, 2019	December 31, 2018
Land, building and building improvements	$ 2,258	11,052
Leasehold improvements	35,768	26,171
Office equipment, furniture, fixtures and software	11,941	9,115
Transportation	379	193
	50,346	46,531
Accumulated depreciation	(20,510)	(13,524)
Property and equipment, net	$ 29,836	33,007

9. Goodwill

The activity in the balance of the Company's goodwill was as follows (in thousands):

	For the Years Ended December 31, 2019	2018	2017
Balance, beginning of period	$ 37,248	39,482	6,731
Acquisitions	—	1,727	35,164
Impairment losses	—	(3,961)	(2,413)
Balance, end of period	$ 37,248	37,248	39,482

The Company recognized $1.7 million of goodwill in connection with the acquisition of an operating business through a loan foreclosure during the year ended December 31, 2018 and $35.2 million of goodwill in connection with the acquisition of IT'SUGAR during the year ended December 31, 2017. The goodwill associated with IT'SUGAR is included in the Company's BBX Sweet Holdings reportable segment, while the remaining goodwill relates to an operating business included in the "Other" category for segment reporting.

As described in Note 2, the Company tests goodwill for potential impairment on an annual basis as of December 31 or during interim periods if impairment indicators exist. During the year ended December 31, 2019, the Company determined that its goodwill was not impaired. During the years ended December 31, 2018 and 2017, the Company determined that the fair values of certain of BBX Sweet Holdings' reporting units were below their respective carrying values as of the applicable testing dates and recognized goodwill impairment losses of $4.0 million and $2.4 million, respectively. The goodwill impairment losses recognized during the years ended December 31, 2018 and 2017 were measured based on the excess of the applicable reporting unit's carrying value over its fair value.

The decline in the fair values of these reporting units and the related recognition of goodwill impairment losses primarily resulted from ongoing losses in these operations and various strategic initiatives related to such businesses, including the consolidation of manufacturing facilities, a reduction in corporate personnel and infrastructure, and the elimination of various unprofitable brands.

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10. Intangible Assets

The Company's intangible assets consists of the following (in thousands):

Class	December 31, 2019	December 31, 2018
Intangible assets:		
Trademarks	$ 8,522	8,522
Customer relationships	70	70
Lease premium	—	111
Other	306	306
	8,898	9,009
Accumulated amortization	(2,227)	(1,678)
Total intangible assets	$ 6,671	7,331

Trademarks and customer relationships are amortized using the straight-line method over their expected useful lives, which range from 12 to 20 years.

Amortization Expense

During the years ended December 31, 2019, 2018, and 2017, the Company recognized approximately $0.6 million, $0.5 million and $0.7 million, respectively, of amortization expense related to its intangible assets which is reflected in selling, general and administrative expenses in the Company's statements of operations and comprehensive income.

The table below sets forth the estimated aggregate amortization expense of intangible assets during each of the five years subsequent to December 31, 2019 (in thousands):

Years Ending December 31,	Total
2020	$546
2021	526
2022	501
2023	500
2024	500

11. Leases

New BBX Capital and its subsidiaries are lessees under various operating leases for retail stores, office space, equipment, and vehicles. Many of the Company's lease agreements include one or more options to renew, with renewal terms that can extend the lease term from one to seven years, and the exercise of such renewal options is generally at the Company's discretion. Certain of the Company's lease agreements include rental payments based on a percentage of sales generated at the leased location over contractually specified levels, and others include rental payments adjusted periodically for inflation. The Company's lease agreements do not contain material residual value guarantees or material restrictive covenants.

The Company recognizes right-of-use assets and lease liabilities associated with lease agreements with an initial term of 12 months or greater, while lease agreements with an initial term of 12 months or less are not recorded in the Company's statement of financial condition. The Company generally does not include lease payments associated with renewal options that are exercisable at its discretion in the measurement of its right-of-use assets and lease liabilities as it is not reasonably certain that such options will be exercised. The table below sets forth information regarding the Company's lease agreements which had an initial term of greater than 12 months (dollars in thousands):

	As of December 31, 2019
Operating lease assets	$ 87,082
Operating lease liabilities	$ 99,568
Weighted average remaining lease term (years)	6.6
Weighted average discount rate(1)	5.26%

(1) As most of the Company's lease agreements do not provide an implicit rate, the Company estimates incremental secured borrowing rates corresponding to the maturities of its lease agreements to determine the present value of future lease payments. To estimate incremental borrowing rates applicable to New BBX Capital and its subsidiaries, the Company considers various factors, including the rates applicable to its recently issued debt and credit facilities and prevailing financial market conditions. The Company used the incremental borrowing rates applicable to New BBX Capital and its subsidiaries on January 1, 2019 for operating leases that commenced prior to that date.

The Company generally recognizes lease costs associated with its operating leases on a straight-line basis over the lease term, while variable lease payments that do not depend on an index or rate are recognized as variable lease costs in the period in which the obligation for those payments is incurred. The table below sets forth information regarding the Company's lease costs which are included in cost of trade sales and selling, general, and administrative expenses in the Company's combined carve-out statements of operations (in thousands):

	For the Year Ended December 31, 2019
Fixed lease costs	$ 19,944
Short-term lease costs	121
Variable lease costs	5,763
Total operating lease costs	$ 25,828

The table below sets forth information regarding the maturity of the Company's operating lease liabilities as of December 31, 2019 (in thousands):

Period Ending December 31,	
2020	$ 19,492
2021	20,243
2022	18,935
2023	16,283
2024	11,388
After 2024	32,299
Total lease payments	118,640
Less: interest	19,072
Present value of lease liabilities	$ 99,568

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Included in the Company's statement of cash flows under operating activities for the year ended December 31, 2019 was $18.7 million of cash paid for amounts included in the measurement of lease liabilities. During the year ended December 31, 2019, the Company obtained $22.9 million of right-of-use assets in exchange for operating lease liabilities.

The table below sets forth the approximate minimum future rental payments (excluding executory costs) under the Company's lease agreements during periods subsequent to December 31, 2018 related to agreements that were executed as of December 31, 2018 (in thousands):

Period Ending December 31,	
2019	$ 18,363
2020	17,400
2021	16,839
2022	15,079
2023	12,787
After 2023	22,411
Total lease obligation	$ 102,879

During the years ended December 31, 2018 and 2017, the Company recognized rent expenses under its lease agreements of $22.4 million and $11.1 million, respectively, which are included in cost of trade sales and selling, general, and administrative expenses in the Company's combined carve-out statements of operations.

12. Debt

The table below sets forth the contractual minimum principal payments of the Company's debt during each of the five years subsequent to December 31, 2019 and thereafter (in thousands):

	Notes Payable and Lines-of Credit
2020	$ 7,017
2021	2,947
2022	3,895
2023	400
2024	1,879
Thereafter	27,422
	43,560
Unamortized debt issuance costs	(824)
Total Debt	$ 42,736

The minimum contractual payments set forth in the table above may differ from actual payments due to the timing of principal payments required upon the sale of real estate assets that serve as collateral on certain debt (release payments).

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Notes Payable and Lines-of-Credit

The table below sets forth information regarding the Company's notes payable and other borrowings (dollars in thousands):

	December 31, 2019			December 31, 2018		
	Debt Balance	Interest Rate	Carrying Amount of Pledged Assets	Debt Balance	Interest Rate	Carrying Amount of Pledged Assets
Community Development District Obligations	$29,287	4.25-6.00%	$49,352	$24,583	4.25-6.00%	$35,157
TD Bank Term Loan and Line of Credit	6,826	5.00%	(1)	8,117	5.47%	(1)
Banc of America Leasing & Capital Equipment Note	355	4.75%	(2)	555	4.75%	(2)
Bank of America Revolving Line of Credit	2,000	3.24%	—	—	—	—
Unsecured Note(3)	3,400	6.00%	—	3,400	6.00%	—
Centennial Bank Note(3)	1,469	5.25%	1,892	1,507	5.25%	1,968
Other	223	15.00%	—	—	—	—
Unamortized debt issuance costs	(824)			(666)		
Total notes payable and other borrowings	$42,736			$37,496		

(1) The collateral is a blanket lien on Renin's assets.
(2) The collateral is a security interest in the equipment financed by the underlying note. Additionally, IT'SUGAR is guarantor on the note.
(3) BBX is guarantor on the note.

Community Development District Obligations—A community development district or similar development authority ("CDD") is a unit of local government created under various state and/or local statutes to encourage planned community development and allow for the construction of infrastructure improvements through alternative financing sources, including the tax-exempt bond markets. A CDD is generally created through the approval of the local city or county in which the CDD is located and is controlled by a board of supervisors representing the landowners within the CDD. In connection with the Company's development of the Beacon Lakes Community, The Meadow View at Twin Creeks CDD (the "Beacon Lakes CDD") was formed by St. Johns County, Florida to use bond financing to fund the construction of infrastructure improvements at the Beacon Lakes Community. The Beacon Lakes CDD issues bonds periodically to fund ongoing construction of the Beacon Lakes Community, and in May 2020, February 2019, November 2018 and November 2016, the Beacon Lakes CDD issued $8.6 million, $8.1 million, $16.5 million, and $21.4 million, respectively, of bonds.

The CDD bond obligations issued in May 2020 have fixed interest rates ranging from 4.25% to 5.38% and mature at various times during the years 2026 through 2051. The Company at its option has the ability to repay a specified portion of the bonds at the time that it sells developed lots in the Beacon Lakes Community.

The obligation to pay principal and interest on the bonds issued by the Beacon Lakes CDD is assigned to each parcel within the CDD, and the Beacon Lakes CDD has a lien on each parcel. If the owner of the parcel does not pay this obligation, the Beacon Lakes CDD can foreclose on the lien. The CDD bond obligations, including interest and the associated lien on the property, are typically payable, secured, and satisfied by revenues, fees, or assessments levied on the property benefited. The assessments to be levied by the CDD are fixed or determinable amounts.

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The CDD bond obligations outstanding as of December 31, 2019 have fixed interest rates ranging from 4.25% to 6.00% and mature at various times during the years 2026 through 2049. The Company at its option has the ability to repay a specified portion of the bonds at the time that it sells developed lots in the Beacon Lakes Community.

Upon the issuance of CDD bond obligations by the Beacon Lakes CDD, the Company records an obligation for the CDD bond obligations with a corresponding increase in other assets. The CDD bonds are secured by a lien on the Beacon Lakes property, which is included in "Real Estate" in the Company's combined statement of financial condition and has a carrying amount of $48.5 million as of December 31, 2019. The Company relieves the CDD bond obligation associated with a particular parcel when the purchaser of the property assumes the obligation, which occurs automatically upon such purchaser's acquisition of the property, or upon repayment by the Company. Included in "Other Assets" in the Company's combined carve-out statements of financial condition as of December 31, 2019 and 2018 was $0.8 million and $11.4 million, respectively, of funds that the Company does not have the right of setoff on the Company's CDD bond obligations. Construction funds receivable associated with the CDD bond obligations is reduced with a corresponding increase in real estate inventory when the CDD disburses the funds to contractors for the construction of infrastructure improvements.

Toronto-Dominion Commercial Bank ("TD Bank") Term Loan and Line of Credit—Renin maintains a credit facility with TD Bank. Under the terms and conditions of the credit facility, TD Bank provides term loans for up to $1.7 million and loans under a revolving credit facility for up to approximately $16.3 million based on available collateral, as defined in the facility, and subject to Renin's compliance with the terms and conditions of the facility, including certain specific financial covenants.

Amounts outstanding under the revolving credit facility bear interest at the Canadian or United States Prime Rate plus a margin of 1.00% per annum or the three-month LIBOR rate plus a margin of 2.75% per annum. Outstanding principal on the revolving credit facility is payable one year from the date of the advance. As of December 31, 2019, the amount outstanding under the revolving credit facility was $6.1 million and is scheduled to mature in September 2020.

The term loans were funded in three tranches aggregating $1.6 million through July 2017. Amounts outstanding under the term loans bear interest at fixed interest rates ranging from 5.8% to 6.2% for one year from the date of the applicable drawdown for each loan. Annually, the fixed interest rates adjust to a variable rate based on Canadian or United States Prime Rate plus a margin of 1.00% per annum or the three-month LIBOR rate plus a margin of 2.75% per annum. The amounts outstanding under the term loans mature between June 2020 and July 2022.

Amounts outstanding under the term loans and borrowings under the revolving credit facility require monthly interest payments.

Under the terms and conditions of the TD Bank credit facility, Renin is required to comply with certain financial covenants, including a quarterly debt service coverage ratio and a quarterly total debt to tangible net worth ratio, as defined in the facility. The facility also contains customary affirmative and negative covenants, including those that, among other things, limit the ability of Renin to incur liens or engage in certain asset dispositions, mergers or consolidations, dissolutions, liquidations, or winding up of its businesses. The credit facility is collateralized by all of Renin's assets.

As of December 31, 2019, Renin was not in compliance with certain covenants under the TD Bank credit facility as a result of a breach of its quarterly debt service coverage ratio. During the first quarter of 2020, Renin received a waiver of the default from TD Bank, and the credit facility was amended to replace the existing debt service

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coverage ratio with an interest coverage ratio. In connection with the amendment to the credit facility, Renin repaid the outstanding balance of the term loans with borrowings from the revolving credit facility.

Banc of America Leasing & Capital Equipment Note—In September 2018, IT'SUGAR entered into a Master Loan and Security Agreement with Banc of America Leasing & Capital, LLC which sets forth the terms and conditions pursuant to which IT'SUGAR may borrow funds to purchase equipment under one or more equipment security notes. The agreement contains customary representations and covenants. Each equipment note constitutes a separate, distinct and independent financing of equipment, is secured by a security interest in the purchased equipment, and is an unconditional contractual obligation of IT'SUGAR. As of December 31, 2019, there was one equipment note outstanding with a balance of $0.4 million. The equipment note bears interest at a fixed rate of 4.75% per annum and is payable in 36 consecutive monthly principal and interest installments of $18,516 with a maturity date of September 2021. The equipment note is subject to a prepayment charge equal to one percent of the amount prepaid multiplied by the number of years or fraction thereof for the then remaining equipment note term.

Bank of America Revolving Line of Credit—In August 2018, IT'SUGAR entered into a revolving credit facility with Bank of America. Under the terms and conditions of the credit facility, Bank of America has agreed to provide a revolving line of credit to IT'SUGAR for up to $4.0 million based on available collateral, as defined by the credit facility, and subject to IT'SUGAR's compliance with the terms and conditions of the credit facility, including certain specific financial covenants. The revolving credit facility is available through August 2021, and amounts outstanding bear interest at a LIBOR daily floating rate plus 1.50% or a monthly LIBOR rate subject to the terms and conditions of the credit facility. Payments of interest only are payable monthly.

Under the terms and conditions of this revolving line of credit, IT'SUGAR is required to comply with certain financial covenants, including quarterly and annual debt service coverage ratios. The facility also contains various covenants, including those that, among other things, limit the ability of IT'SUGAR to incur liens, make certain investments, or engage in certain asset acquisitions or dispositions.

In April 2020, a wholly-owned subsidiary of BBX Capital Real Estate purchased the Bank of America revolving line of credit and the Banc of America equipment note from the respective lenders for the outstanding principal balance of the loans, which were $4.0 million and $0.3 million, respectively, at the time of the purchase, plus accrued interest.

Unsecured Note—In October 2017, a wholly-owned subsidiary of BBX Capital Real Estate issued a $3.4 million unsecured note to the seller of real estate to the Chapel Trail real estate joint venture, in which the subsidiary has a 46.75% equity interest. The issuance of the unsecured note was part of the subsidiary's initial capital contribution to the venture. The note was not secured by the Company's equity interest in the joint venture or the venture's underlying property, and BBX guaranteed the repayment of the unsecured note. The unsecured note accrued interest at a fixed rate of 6.0% per annum, with monthly interest only payments, and was scheduled to mature in October 2022. In February 2020, the Company repaid in full the unsecured note.

Centennial Bank Note—In October 2014, Hoffman's Chocolates issued a $1.7 million note payable to Centennial Bank. The note is secured by land and buildings owned by Hoffman's Chocolates, and BBX and BBX Sweet Holdings have guaranteed the repayment of the note. The note requires monthly principal and interest payments based upon a 25 year amortization schedule and matures in October 2024.

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Debt Compliance and Amounts Available under Credit Facilities

As of December 31, 2019, New BBX Capital and its subsidiaries were in compliance with all financial debt covenants under its debt instruments other than the default which occurred under Renin's credit facility with TD Bank that was waived in the first quarter of 2020, as described above.

Amounts available under credit facilities for New BBX Capital and its subsidiaries as of December 31, 2019 were as follows (in thousands):

Renin	$4,983
IT'SUGAR	2,000
Total credit availability	$6,983

The amounts available under the Company's credit facilities are subject to eligible collateral and the terms of the facilities, as applicable.

13. Income Taxes

United States and foreign components of income (loss) from continuing operations before income taxes were as follows (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
U.S.	$29,638	(2,170)	(13,950)
Foreign	(653)	(852)	486
Total	$28,985	(3,022)	(13,464)

The Company's provision for income taxes from continuing operations consisted of the following (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Current:			
Federal	$4,163	914	(19)
State	1,738	536	(227)
	5,901	1,450	(246)
Deferred:			
Federal	2,665	1,471	1,801
State	(232)	(56)	(249)
	2,433	1,415	1,552
Provision for income taxes	$8,334	2,865	1,306

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The reasons for the difference between the provision for income taxes and the amount that results from applying the federal statutory tax rate to income before provision for income taxes from continuing operations relate to (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Income tax provision (benefit)from continuing operations at expected federal income tax rate	$6,087	(635)	(4,712)
Increase (decrease) resulting from:			
Provision for state taxes, net of federal effect	1,156	343	(230)
Effect of rate change	—	—	3,963
Nondeductible goodwill	—	832	832
Nondeductible executive compensation	1,119	1,205	805
(Decrease) increase in valuation allowance	(153)	226	(125)
Other—net	125	894	773
Provision for income taxes	$8,334	2,865	1,306

The Company's deferred income taxes consists of the following components (in thousands):

	As of December 31,	
	2019	2018
Deferred federal and state tax assets:		
Net operating loss carryforwards	$ 6,714	10,377
Book reserves for bad debt, inventory, real estate and property and equipment	1,407	2,167
Expensed recognized for books and deferred for tax	3,439	1,185
Intangible assets	—	114
Other assets	49	147
Total gross federal and state deferred tax assets	11,609	13,990
Less deferred tax asset valuation allowance	(6,914)	(7,067)
Total deferred tax assets	4,695	6,923
Deferred federal and state tax liabilities:		
Tax over book depreciation	(245)	(1,034)
Intangible assets	(592)	—
Other liabilities	(578)	(1,140)
Total gross deferred federal and state tax liabilities	(1,415)	(2,174)
Net federal and state deferred tax assets	$ 3,280	4,749

Impact of the Tax Reform Act

On December 22, 2017, the Tax Reform Act was signed into law. In addition to changes or limitations to certain tax deductions, including limitations on the deductibility of interest payable to related and unrelated lenders and further limiting deductible executive compensation, the Tax Reform Act permanently lowered the federal corporate tax rate to 21% from the previous maximum rate of 35%, effective for tax years commencing

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January 1, 2018. As a result of the reduction of the corporate tax rate to 21%, the Company revalued its deferred tax assets and liabilities as of the date of enactment and recognized a $4.0 million provision for income taxes during the year ended December 31, 2017.

The Company's effective income tax rate was approximately 29.0%, (96.0%) and (9.7%) during 2019, 2018 and 2017, respectively. The provision for income taxes was different than the expected federal income tax rate of 21% for the years ended December 31, 2019 and 2018 primarily due to nondeductible executive compensation and state income taxes and for 2018 nondeductible goodwill impairments. The benefit for income taxes was lower than the expected federal income tax rate of 35% for the year ended December 31, 2017 due to the reduction in the corporate tax rate discussed above and nondeductible executive compensation and goodwill impairments as well as state income taxes.

The Company evaluates its deferred tax assets to determine if valuation allowances are required. In the evaluation, management considers expectations of sufficient future taxable income, trends in earnings, existence of taxable income in recent years, the future reversal of temporary differences, and available tax planning strategies that could be implemented, if required. Valuation allowances are established based on the consideration of all available evidence using a more likely than not standard. Based on the Company's evaluation a deferred tax valuation allowance was established for $5.7 million of federal and state net operating loss carryforwards ("NOL") and $1.2 million of Canadian NOL as of December 31, 2019.

The Company's federal and Florida NOL carryforwards can only be utilized if the separate entity that generated them has separate company taxable income (the "SRLY Limitation"). These carryforwards cannot be utilized against most of the Company's subsidiaries' taxable income. As such, a full valuation allowance has been established for these carryforwards. The Company's Canadian operation has had cumulative taxable losses in recent years, a full valuation allowance has been applied to these NOL carryforwards. In addition, one of the Canadian subsidiaries has a capital loss carryforward that can only be used to reduce capital gains, and the tax on Canadian capital gains is 50% of the Canadian tax rate. Canadian capital loss carryforwards do not expire. A full valuation allowance is maintained for the Canadian capital loss carryforward as it is unlikely that the Canadian subsidiary will generate capital gains in the future. The federal and Florida NOLs expire in the year 2026-2034 and the Canadian NOLs expire in the year 2033-2039. The Company's income tax provision (benefit) and current and deferred income taxes were calculated on a separate return basis. Certain deferred tax assets and liabilities will never be realized if the Company were to become a tax filer separate from the Parent.

The Company recognizes a liability for uncertain tax positions. An uncertain tax position is defined as a position in a previously filed tax return or a position expected to be taken in a future tax return that is not based on clear and unambiguous tax law and which is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. The Company must recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company measures the tax benefits recognized based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. The Company had no uncertain tax positions as of December 31, 2019.

The Company is a party to an Agreement to Allocate Consolidated Income Tax Liability and Benefits with BBX Capital. Under the agreement, the parties calculate their respective income tax liabilities and attributes as if each of them was a separate filer. If any tax attributes are used by another party to the agreement to offset its tax liability, the party providing the benefit will receive an amount for the tax benefits realized. As of December 31, 2019, $2.8 million was due the Parent and as of December 31, 2018, $0.9 million was due to New BBX Capital

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from the Parent. Renin paid New BBX Capital $1.0 million for the year ended December 31, 2019 pursuant to the tax sharing agreement.

14. Revenue Recognition

The table below sets forth the Company's revenue disaggregated by category (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Trade sales—wholesale	$ 80,197	82,800	89,223
Trade sales—retail	100,122	92,699	52,611
Sales of real estate inventory	5,049	21,771	—
Revenue from customers	185,368	197,270	141,834
Interest income	811	2,338	2,265
Net gains on sales of real estate assets	13,616	4,563	1,451
Other revenue	3,929	4,394	6,486
Total revenues	$ 203,724	208,565	152,036

15. Related Parties

The Company paid the Parent $0.6 million, $1.0 million and $1.0 million during the years ended December 31, 2019, 2018 and 2017, respectively, for management advisory and employer provided medical insurance. The Company reimbursed the Parent the actual cost of providing the services.

The Company received $0.8 million, $1.0 million, and $0.8 million for providing risk management consulting services to the Parent and Bluegreen Vacations Corporation for the years ended December 31, 2019, 2018 and 2017, respectively.

The expenses associated with certain support functions paid for by the Parent were allocated to the Company on the basis of direct usage when identifiable, while the remainder of the expenses, including costs related to executive compensation, were allocated primarily on a pro-rata basis of combined revenues and equity in earnings of unconsolidated joint ventures of the Parent and its subsidiaries. These support functions included treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, shared information technology systems, corporate governance activities, executive services and centralized managed employee benefit arrangements. The support function costs allocated to the Company and included in selling, general and administrative expenses in the Company's combined carve-out statements of operations and comprehensive income (loss) for the years ended December 31, 2019, 2018 and 2017 were $21.0 million, $21.2 million and $15.0 million, respectively. The allocated support function costs were recognized as contributed capital in the Company's combined carve-out statements of financial condition for the years ended December 31, 2019, 2018 and 2017.

See also the description of the Agreement to Allocate Consolidated Income Tax Liability and Benefits under Note 13—Income Taxes above.

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The components of net transfers from (to) Parent in the CombinedCarve-Out Statement of Changes in Parent Equity consisted of the following (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Cash pooling	$ (85,246)	(14,222)	27,477
Corporate overhead allocations	21,037	21,198	15,024
Asset transfers	302	660	341
Income taxes	(1,460)	(21)	(731)
Net transfers (to) from parent	$ (65,367)	7,615	42,111

In March 2018, the Parent, Woodbridge, New BBX Capital, BBX Sweet Holdings, and FFTRG entered into a $50.0 million revolving credit facility with Iberiabank as co-borrowers. Amounts borrowed under the facility accrue interest at a floating rate of30-day LIBOR plus a margin of 3.0% to 3.75% or the Prime Rate plus a margin of 1.50% to 2.25%. The applicable margin is based on the Parent's debt to EBITDA ratio. Payments of interest only are payable monthly. The facility matures, and all outstanding principal and interest will be payable, on June 30, 2021, with a twelve month renewal option at Parent's request, subject to the satisfaction of certain conditions. The facility is secured by a pledge of a percentage of the Parent's membership interests in Woodbridge having a value of not less than $100 million. Borrowings under the facility may be used for business acquisitions, real estate investments, stock repurchases, letters of credit, and general corporate purposes. Any one of the borrowers can make a funding request subject to availability and specific satisfaction of the terms and conditions of the advance for the specified purpose. In April 2018, the Parent borrowed $30.0 million from the Iberiabank credit facility to partially fund a tender offer in which it purchased and retired 6,486,486 shares of its Class A common stock for an aggregate price of $60.1 million. In January 2019, the Parent repaid the $30.0 million outstanding balance of the credit facility. There have been no other advances under the credit facility. The credit facility had an outstanding balance of $0 and $30.0 million as of December 31, 2019 and 2018, respectively. Although New BBX Capital, BBX Sweet Holdings, and FFTRG are jointly and severally liable for obligations under the facility, the Company accounts for the Iberiabank facility as a contingent liability and recognizes the portion of the outstanding balance of the facility that it has agreed to pay or expects to pay on behalf of the co-borrowers. Therefore, as the Parent borrowed and repaid the outstanding balance under the facility, the Company did not recognize a liability for the outstanding balance of the credit facility at December 31, 2018.

16. Commitments and Contingencies

From time to time, the Company may become subject to threatened and/or asserted claims arising in the ordinary course of business. Management is not aware of any matters that have not been recorded, either individually or in the aggregate, that are reasonably likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

The Parent guarantees certain obligations of the Company's unconsolidated real estate joint ventures and debt obligations, including the following:

- The Parent is a guarantor of 50% of the outstanding balance of a third party loan to the Sunrise and Bayview Partners, LLC real estate joint venture, which had an outstanding balance of $5.0 million as of December 31, 2019.

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- The Parent is a guarantor on certain notes payable by its wholly-owned subsidiaries. See Note 12 for additional information regarding these obligations.

17. Fair Value Measurement

Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three main valuation techniques to measure the fair value of assets and liabilities: the market approach, the income approach and the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses financial models to convert future amounts to a single present amount and includes present value and option-pricing models. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset and is often referred to as current replacement cost.

The accounting guidance for fair value measurements defines an input fair value hierarchy that has three broad levels and gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The input fair value hierarchy is summarized below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability

Level 3: Unobservable inputs for the asset or liability

There were no material assets or liabilities measured at fair value on a recurring or nonrecurring basis in the Company's combined carve-out financial statements as of December 31, 2019 and 2018.

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Financial Disclosures about Fair Value of Financial Instruments

The tables below set forth information related to the Company's financial instruments (in thousands):

	Carrying Amount As of December 31, 2019	Fair Value As of December 31, 2019	Fair Value Measurements Using: Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	$ 20,723	20,723	20,723	—	—
Restricted cash	529	529	529	—	—
Financial liabilities:					
Notes payable and other borrowings	42,736	45,669	—	—	45,669

	Carrying Amount As of December 31, 2018	Fair Value As of December 31, 2018	Fair Value Measurements Using: Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	$ 22,103	22,103	22,103	—	—
Restricted cash	966	966	966	—	—
Financial liabilities:					
Notes payable and other borrowings	37,496	39,047	—	—	39,047

The amounts reported in the combinedcarve-out statements of financial condition for cash and cash equivalents and restricted cash approximate fair value.

The fair values of the Company's Community Development Bonds, which are included in notes payable and other borrowings above, were measured using the market approach with Level 3 inputs obtained based on estimated market prices of similar financial instruments.

The fair values of the Company's notes payable andlines-of-credit (other than other borrowings and Community Development Bonds above) were measured using the income approach with Level 3 inputs by discounting the forecasted cash outflows associated with the debt using estimated market discount rates.

The Company's financial instruments also includes trade accounts receivable, accounts payable and accrued liabilities. The carrying amount of these financial instruments approximate their fair values due to their short-term maturities.

The Company is exposed to credit related losses in the event ofnon-performance by counterparties to the financial instruments with a maximum exposure equal to the carrying amount of the assets. The Company's exposure to credit risk consists of accounts receivable balances.

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18. Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is regularly reviewed by the chief operating decision maker ("CODM") in assessing performance and deciding how to allocate resources. Reportable segments consist of one or more operating segments with similar economic characteristics, products and services, production processes, type of customer, distribution system or regulatory environment.

The information provided for segment reporting is obtained from internal reports utilized by the Company's CODM, and the presentation and allocation of assets and results of operations may not reflect the actual economic costs of the segments as standalone businesses. If a different basis of allocation were utilized, the relative contributions of the segments might differ, but the relative trends in the segments' operating results would, in management's view, likely not be impacted.

The Company's three reportable segments are as follows: BBX Capital Real Estate, BBX Sweet Holdings and Renin. See Note 1 for a description of the Company's reportable segments.

In the segment information for the years ended December 31, 2019, 2018 and 2017, amounts set forth in the column entitled "Other" include the Company's investments in various operating businesses, including a controlling financial interest in a restaurant acquired in connection with a loan receivable default. The amounts set forth in the column entitled "Reconciling Items and Eliminations" include unallocated corporate general and administrative expenses.

The Company evaluates segment performance based on segment income from continuing operations before income taxes.

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The table below sets forth the Company's segment information as of and for the years ended December 31, 2019 (in thousands):

	BBX Capital Real Estate	BBX Sweet Holdings	Renin	Other	Reconciling Items and Eliminations	Segment Total
Trade sales	$ —	105,406	67,537	7,376	—	180,319
Sales of real estate inventory	5,049	—	—	—	—	5,049
Interest income	750	56	—	—	5	811
Net gains on sales of real estate assets	13,616	—	—	—	—	13,616
Other revenue	1,619	324	—	2,233	(247)	3,929
Total revenues	21,034	105,786	67,537	9,609	(242)	203,724
Costs and expenses:						
Cost of trade sales	—	67,703	54,243	3,788	1	125,735
Cost of real estate inventory sold	2,643	—	—	—	—	2,643
Interest expense	—	196	498	27	(288)	433
Recoveries from loan losses, net	(5,428)	—	—	—	—	(5,428)
Impairment losses	47	142	—	—	—	189
Selling, general and administrative expenses	9,144	43,203	11,066	5,451	20,791	89,655
Total costs and expenses	6,406	111,244	65,807	9,266	20,504	213,227
Equity in net earnings of unconsolidated real estate joint ventures	37,898	—	—	—	—	37,898
Other (expense) income	170	336	153	6	—	665
Foreign exchange loss	—	—	(75)	—	—	(75)
Income (loss) before income taxes	$ 52,696	(5,122)	1,808	349	(20,746)	28,985
Total assets	$ 145,930	167,281	32,320	10,059	5,917	361,507
Expenditures for property and equipment	$ 4	9,441	517	1,129	—	11,091
Depreciation and amortization	$ 93	5,565	1,202	770	—	7,630
Debt accretion and amortization	$ 125	226	27	—	—	378
Cash and cash equivalents	$ 13,776	6,314	—	633	—	20,723
Equity method investments	$ 57,330	—	—	—	—	57,330
Goodwill	$ —	35,521	—	1,727	—	37,248
Notes payable and other borrowings	$ 31,877	3,810	6,825	224	—	42,736

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The table below sets forth the Company's segment information as of and for the years ended December 31, 2018 (in thousands):

	BBX Capital Real Estate	BBX Sweet Holdings	Renin	Other	Reconciling Items and Eliminations	Segment Total
Revenues:						
Trade sales	$ —	101,187	68,417	5,895	—	175,499
Sales of real estate inventory	21,771	—	—	—	—	21,771
Interest income	2,277	61	—	—	—	2,338
Net gains on sales of real estate assets	4,563	—	—	—	—	4,563
Other revenue	2,541	10	—	1,865	(22)	4,394
Total revenues	31,152	101,258	68,417	7,760	(22)	208,565
Costs and expenses:						
Cost of trade sales	—	65,829	55,483	2,911	—	124,223
Cost of real estate inventory sold	14,116	—	—	—	—	14,116
Interest expense	—	308	638	7	(150)	803
Recoveries from loan losses, net	(8,653)	—	—	—	—	(8,653)
Impairment losses	571	4,147	—	—	—	4,718
Selling, general and administrative expenses	9,210	46,130	9,903	4,491	21,185	90,919
Total costs and expenses	15,244	116,414	66,024	7,409	21,035	226,126
Equity in net earnings of unconsolidated real estate joint ventures	14,194	—	—	—	—	14,194
Other income (expense)	112	170	—	(5)	—	277
Foreign exchange gain	—	—	68	—	—	68
Income (loss) before income taxes	$ 30,214	(14,986)	2,461	346	(21,057)	(3,022)
Total assets	$ 165,109	83,617	32,322	20,187	8,717	309,952
Expenditures for property and equipment	$ 318	6,254	796	5,428	—	12,796
Depreciation and amortization	$ 374	5,897	1,159	671	—	8,101
Debt accretion and amortization	$ 3	201	17	—	—	221
Cash and cash equivalents	$ 16,103	5,328	—	668	4	22,103
Equity method investments	$ 64,738	—	—	—	—	64,738
Goodwill	$ —	35,521	—	1,727	—	37,248
Notes payable and other borrowings	$ 27,333	2,046	8,117	—	—	37,496

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

The table below sets forth the Company's segment information as of and for the years ended December 31, 2017 (in thousands):

	BBX Capital Real Estate	BBX Sweet Holdings	Renin	Other	Reconciling Items and Eliminations	Segment Total
Revenues:						
Trade sales	$ —	72,899	68,935	—	—	141,834
Interest income	2,225	40	—	—	—	2,265
Net gains on sales of real estate assets	1,451	—	—	—	—	1,451
Other revenue	4,997	7	—	1,528	(46)	6,486
Total revenues	8,673	72,946	68,935	1,528	(46)	152,036
Costs and expenses:						
Cost of trade sales	—	51,975	54,941	329	—	107,245
Interest expense	—	335	509	—	(251)	593
Recoveries from loan losses, net	(7,546)	—	—	—	—	(7,546)
Impairment losses	1,696	5,786	—	—	—	7,482
Selling, general and administrative expenses	11,127	31,703	11,112	1,418	14,934	70,294
Total costs and expenses	5,277	89,799	66,562	1,747	14,683	178,068
Equity in net earnings of unconsolidated real estate joint ventures	12,541	—	—	—	—	12,541
Other income	148	72	—	—	—	220
Foreign exchange loss	—	—	(193)	—	—	(193)
Income (loss) before income taxes	$ 16,085	(16,781)	2,180	(219)	(14,729)	(13,464)
Total assets	$ 166,548	92,587	36,189	12,525	7,321	315,170
Expenditures for property and equipment	$ 308	2,246	1,592	2,518	—	6,664
Depreciation and amortization	$ 581	4,080	1,000	112	—	5,773
Debt accretion and amortization	$ —	55	—	75	102	232
Cash and cash equivalents	$ 8,636	10,160	863	7,099	18	26,776
Equity method investments	$ 51,117	—	—	—	—	51,117
Goodwill	$ —	39,482	—	—	—	39,482
Notes payable and other borrowings	$ 24,215	6,815	12,890	—	—	43,920

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

19. Discontinued Operations

As described in Note 1, in September 2019, FFTRG, a wholly owned subsidiary of New BBX Capital, exited its operations as a franchisee of MOD Pizza restaurant locations. Accordingly, these operations are presented as discontinued operations in the Company's combined financial statements.

The carrying amount of major classes of assets and liabilities included as part of discontinued operations is as follows (in thousands):

	For the Years Ended December 31,	
	2019	2018
ASSETS		
Cash and cash equivalents	$ 35	7,013
Trade inventory	—	64
Property and equipment, net	—	7,355
Intangible assets, net	—	534
Operating lease assets	772	—
Other assets	185	653
Discontinued operations total assets	$ 992	15,619
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	$ 2	189
Accrued expenses	134	2,567
Operating lease liability	905	—
Discontinued operations total liabilities	$ 1,041	2,756

The major components on loss from discontinued operations are as follows (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Revenues:			
Trade sales	$ 6,044	4,007	245
Interest income	104	87	39
Total revenues	6,148	4,094	284
Costs and Expenses:			
Cost of trade sales	2,012	1,438	91
Depreciation, amortization and accretion, net	691	555	115
Impairment losses	6,749	—	—
Selling, general and administrative expenses	6,139	6,634	2,534
Total costs and expenses	15,591	8,627	2,740
Other revenue	9	4	2
Pre-tax loss from discontinued operations	$ (9,434)	(4,529)	(2,454)

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

The following are the major components of the statement of cash flows from discontinued operations (in thousands):

	For the Years Ended December 31,		
	2019	2018	2017
Operating activities:			
Net loss	$(9,434)	(4,529)	(2,454)
Adjustment to reconcile net loss to net cash used by operating activities:			
Depreciation, amortization and accretion, net	691	555	115
Impairment losses	6,749	—	—
(Decrease) increase in trade inventory	64	(42)	(22)
Decrease (increase) in other assets	522	242	(61)
Change in operating lease assets and liabilities	(88)	—	—
(Decrease) increase in accounts payable	(187)	(16)	206
(Decrease) increase in accrued expenses	(1,201)	(138)	1,095
Net cash used in operating activities	$(2,884)	(3,928)	(1,121)
Investing activities:			
Cash paid for intangible assets	$ (40)	(100)	—
Purchases of property and equipment	(576)	(5,140)	(1,953)
Net cash used in investing activities	$ (616)	(5,240)	(1,953)
Supplemental disclosure of non-cash investing and financing activities:			
Operating lease assets recognized upon adoption of ASC 842	$ 6,878	—	—
Operating lease liabilities recognized upon adoption of ASC 842	8,192	—	—

Included in discontinued operations total assets was a $772,000 right of use asset and included in discontinued total liabilities was a $905,000 lease obligation associated with a lease contract for a restaurant that was not opened. The Company is in negotiations with the landlord to terminate the lease and is currently in default of its lease obligation.

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

20. Selected Quarterly Results (Unaudited)

The following tables summarize the results of operations for each fiscal quarter during the years ended December 31, 2019 and 2018 (in thousands):

2019	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenues	$ 50,979	54,157	47,692	50,896	203,724
Costs and expenses	56,554	50,446	52,232	53,995	213,227
	(5,575)	3,711	(4,540)	(3,099)	(9,503)
Equity in net (loss) earnings of unconsolidated real estate joint ventures	(17)	8,759	28,534	622	37,898
Other income	376	178	67	44	665
Foreign exchange gains (losses)	5	(29)	1	(52)	(75)
Income (loss) from continuing operations before income taxes	(5,211)	12,619	24,062	(2,485)	28,985
(Provision) benefit for income taxes	1,460	(3,608)	(6,893)	707	(8,334)
Income (loss) from continuing operations	(3,751)	9,011	17,169	(1,778)	20,651
Discontinued operations	(1,269)	(2,254)	(3,654)	39	(7,138)
Net income (loss)	(5,020)	6,757	13,515	(1,739)	13,513
Less: Net loss attributable to noncontrolling interests	40	27	98	59	224
Net income (loss) attributable to Parent	$ (4,980)	6,784	13,613	(1,680)	13,737

2018	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenues	$ 50,867	48,315	51,871	57,512	208,565
Costs and expenses	50,814	55,672	55,177	64,463	226,126
	53	(7,357)	(3,306)	(6,951)	(17,561)
Equity in net earnings (loss) of unconsolidated real estate joint ventures	1,280	(488)	373	13,029	14,194
Other income	19	87	101	70	277
Foreign exchange gains (losses)	52	(37)	76	(23)	68
Income (loss) from continuing operations before income taxes	1,404	(7,795)	(2,756)	6,125	(3,022)
(Provision) benefit for income taxes	1,610	(8,072)	(3,044)	6,641	(2,865)
Income (loss) from continuing operations	3,014	(15,867)	(5,800)	12,766	(5,887)
Discontinued operations	(619)	(825)	(1,074)	(1,062)	(3,580)
Net income (loss)	2,395	(16,692)	(6,874)	11,704	(9,467)
Less: Net income attributable to noncontrolling interests	145	30	(172)	263	266
Net income (loss) attributable to Parent	$ 2,540	(16,662)	(7,046)	11,967	(9,201)

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

21. Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through June 17, 2020, the date the financial statements were available to be issued. As of such date, there were no subsequent events identified that required recognition or disclosure other than as disclosed below or in the footnotes herein.

In June 2020, the Company invested an additional $8.5 million in the Altis at Ludlam joint venture for an aggregate investment in the project of $8.9 million. The Altis at Ludlam project is anticipated to be an approximate 310 unit multi family community with approximately 6,000 square feet of retail space located in Miami, Florida.

The ongoing novel coronavirus disease ("COVID-19") pandemic, which began to impact the Company in March 2020, has been, and continues to be, an unprecedented disruption in the U.S. and global economies and the industries in which the Company operates due to, among other things, government ordered "shelter in place" and "stay at home" orders and advisories, travel restrictions, and restrictions on business operations, including required closures of retail locations. The disruptions arising from the pandemic and the reaction of the general public has had a significant adverse impact on the Company's financial condition and operations during 2020. The duration and severity of the pandemic and related disruptions, as well as the adverse impact on economic and market conditions, are uncertain; however, given the nature of these circumstances, the adverse impact of the pandemic on the Company's combined carve-out results of operations, cash flows, and financial condition in 2020 has been, and is expected to continue to be, material. Furthermore, although the duration and severity of the effects of the pandemic are uncertain, it is expected that demand for many of the Company's products and services may remain weak for a significant length of time, and the Company cannot predict if and when the industries in which the Company operates will return to pre-pandemic levels.

Although the impact of the COVID-19 pandemic on the Company's principal investments, including management's efforts to mitigate the effects of the pandemic, has varied, as described in further detail below, New BBX Capital and its subsidiaries have taken steps to manage expenses through cost saving initiatives and reductions in employee head count and taken actions to increase liquidity and strengthen the Company's financial position.

The following summarizes the current impact of the COVID-19 pandemic on the Company's principal investments:

BBX Capital Real Estate

Construction activities remain ongoing at BBX Capital Real Estate ("BBXRE")'s existing projects; however, the effects of the COVID-19 pandemic, including "shelter in place" and "stay at home" orders and advisories and increased unemployment and economic uncertainty, have disrupted sales activities at BBXRE's single-family home developments and rental activities at its multifamily apartment developments. In addition, the effects of the pandemic, including the impact on general economic conditions and real estate and credit markets, have increased uncertainty related to the expected timing and pricing of future sales of multifamily apartment developments, single-family homes, and developed lots at BBXRE's Beacon Lake Community, as well as the commencement of new multifamily apartment developments. The Company expects that the impact of the COVID-19 pandemic will adversely affect BBXRE's operating results and financial condition for the year ended December 31, 2020.

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements

BBX Sweet Holdings

In March 2020, IT'SUGAR closed all of its retail locations and furloughed all store employees and the majority of its corporate employees, and in April 2020, it stopped making rent payments to the landlords of its retail locations. Although IT'SUGAR commenced a phased reopening of its retail locations in May 2020, the closure of its retail locations resulted in IT'SUGAR not generating any material trade sales since March 2020. IT'SUGAR is currently in discussions with its landlords for rent abatements or deferrals and is hopeful that it will be in a position to continue to reopen stores, subject to the implementation of revised store floor plans and increased sanitation protocols. However, as a result of the prolonged closure of its retail locations that commenced in March 2020, IT'SUGAR does not believe that it will have sufficient liquidity to continue its full operations if it is unable to obtain significant rent abatements or deferrals from its landlords and amended payment terms from its vendors and, if it is not successful with these negotiations, may decide to pursue a formal or informal restructuring. Further, even if IT'SUGAR is in a position to reopen its retail locations and continue its operations, the effects of the COVID-19 pandemic on demand and future sales levels, including a recessionary economic environment and the potential impact of the pandemic on consumer behavior, remain uncertain and could have a long-term and significant adverse impact on IT'SUGAR's business, results of operations, and financial condition and its ability to continue its operations. As a result, the Company recognized $24.7 million of impairment losses related to IT'SUGAR's goodwill and long-lived assets during the quarter ended March 31, 2020.

In addition to the material adverse impact of the COVID-19 pandemic on IT'SUGAR's operations, BBX Sweet Holdings' other operations have also been adversely impacted by the pandemic. In particular, Hoffman's Chocolates has closed all of its retail locations to customer traffic and limited sales to curbside pickup (where allowable by government mandates) and online customers. In addition, Hoffman's Chocolates is in discussions with its landlords for rent abatements and deferrals. While Las Olas Confections and Snacks has continued to operate its manufacturing facility and sell products to its wholesale customers, its sales activity has declined as a result of the effects of the pandemic. In response to the effects of the pandemic, both Hoffman's Chocolates and Las Olas Confections and Snacks have implemented several cost mitigating activities, including a reduction of workforce and indefinite furlough of certain employees.

Renin

Renin is continuing to operate both of its manufacturing and distribution facilities, source various products and raw materials from China and Vietnam, and sell its products through various channels. While its operating results currently were not significantly impacted by the COVID-19 pandemic, Renin's sales volumes have declined from expectations for 2020, which management believes is attributable to the effects of the pandemic, including a recessionary economic environment and rising unemployment. In addition, such effects could have a significant adverse impact on Renin's results of operations and financial condition in future periods, particularly to the extent that an economic downturn is prolonged in nature or results in material disruptions in the supply chains for its products and raw materials. Renin is continuing to monitor the potential effects of the pandemic and is exploring various opportunities through which it could attempt to mitigate such effects, including increasing online sales and implementing cost reduction initiatives.

BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Financial Condition—Unaudited

(in thousands)	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 17,642	20,723
Restricted cash	529	529
Trade accounts receivable, net	14,838	13,104
Trade inventory	22,531	22,843
Real estate ($11,348 in 2020 and $11,297 in 2019 held for sale)	63,098	65,818
Investments in unconsolidated real estate joint ventures	59,373	57,330
Property and equipment, net	30,769	29,836
Goodwill	14,864	37,248
Intangible assets, net	6,532	6,671
Operating lease assets	80,189	87,082
Deferred tax asset, net	6,747	3,280
Due from Parent	730	—
Other assets	14,918	16,051
Discontinued operations total assets	92	992
Total assets	$332,852	361,507
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	$ 13,382	10,104
Accrued expenses	9,953	14,115
Other liabilities	6,750	6,336
Due to parent	—	1,362
Operating lease liabilities	96,059	99,568
Notes payable and lines-of-credit	41,904	42,736
Discontinued operations total liabilities	1,031	1,041
Total liabilities	169,079	175,262
Commitments and contingencies (See Note 10)		
Redeemable noncontrolling interest	1,863	4,009
Equity:		
Parent’s equity	160,655	179,681
Accumulated other comprehensive income	967	1,554
Noncontrolling interests	288	1,001
Total equity	161,910	182,236
Total liabilities and equity	$332,852	361,507

See Notes to Combined Carve-Out Financial Statements—Unaudited

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BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Operations and Comprehensive Loss—Unaudited

(in thousands)	For the Three Months Ended March 31, 2020	2019
Revenues:		
Trade sales	$ 40,886	44,068
Sales of real estate inventory	6,439	4,236
Interest income	116	218
Net (losses) gains on sales of real estate assets	(47)	1,332
Other revenue	787	1,125
Total revenues	48,181	50,979
Costs and Expenses:		
Cost of trade sales	29,780	31,351
Cost of real estate inventory sold	4,632	2,643
Interest expense	—	151
Recoveries from loan losses, net	(3,512)	(961)
Impairment losses	27,435	—
Selling, general and administrative expenses	21,320	23,370
Total costs and expenses	79,655	56,554
Operating losses	(31,474)	(5,575)
Equity in net earnings (losses) of unconsolidated real estate joint ventures	551	(17)
Other income	36	376
Foreign exchange gain	278	5
Loss from continuing operations before income taxes	(30,609)	(5,211)
Benefit for income taxes	5,908	1,460
Loss from continuing operations	(24,701)	(3,751)
Discontinued Operations		
Loss from operations	(889)	(1,665)
Benefit for income taxes	211	396
Loss from discontinued operations	(678)	(1,269)
Net loss	(25,379)	(5,020)
Less: Net loss attributable to noncontrolling interests	3,456	40
Net loss attributable to Parent	$ (21,923)	(4,980)
Net loss	$ (25,379)	(5,020)
Other comprehensive (loss) income, net of tax:		
Unrealized (loss) gain on securities available for sale	(37)	28
Foreign currency translation adjustments	(550)	101
Other comprehensive (loss) income, net	(587)	129
Comprehensive (loss), net of tax	(25,966)	(4,891)
Less: Comprehensive loss attributable to noncontrolling interests	3,456	40
Comprehensive loss attributable to Parent	$ (22,510)	(4,851)

See Notes to Combined Carve-Out Financial Statements—Unaudited

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BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Changes in Equity—Unaudited

(in thousands)	Parent Equity	Accumulated Other Comprehensive Income	Non-controlling Interests	Total Equity
Balance, December 31, 2018	**$ 235,415**	**1,216**	**899**	**237,530**
Cumulative effect from the adoption of ASU 2016-02, net of $874 of income taxes and redeemable noncontrolling interest	(2,202)	—	—	(2,202)
Net income excluding $220 of loss attributable to redeemable noncontrolling interest	(4,980)		180	(4,800)
Other comprehensive income	—	129	—	129
Net transfers from Parent	6,238	—	—	6,238
Balance, March 31, 2019	**$ 234,471**	**1,345**	**1,079**	**236,895**
Balance, December 31, 2019	**$ 179,681**	**1,554**	**1,001**	**182,236**
Net loss excluding $2,743 of loss attributable to redeemable noncontrolling interest	(21,923)	—	(713)	(22,636)
Other comprehensive loss	—	(587)	—	(587)
Accretion of redeemable noncontrolling interest	(551)	—	—	(551)
Net transfers from Parent	3,448	—	—	3,448
Balance, March 31, 2020	**$ 160,655**	**967**	**288**	**161,910**

See Notes to Combined Carve-Out Financial Statements—Unaudited

BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Cash Flows—Unaudited

(in thousands)	For the Three Months Ended March 31, 2020	2019
Operating activities:		
Net loss	$ (25,379)	(5,020)
Adjustment to reconcile net loss to net cash used in operating activities:		
Recoveries from loan losses, net	(3,512)	(961)
Depreciation, amortization and accretion, net	1,951	2,188
Net losses (gains) on sales of real estate and property and equipment	47	(1,332)
Equity (earnings) losses of unconsolidated real estate joint ventures	(551)	17
Return on investment in unconsolidated real estate joint ventures	1,430	277
Increase in deferred income tax asset, net	(3,421)	(1,851)
Impairment losses	28,283	618
Decrease (increase) in trade inventory	312	(613)
(Increase) decrease in trade receivables	(1,734)	1,805
Decrease in real estate inventory	1,241	2,192
Net change in operating lease asset and operating lease liability	321	313
(Increase) decrease in other assets	(325)	199
Decrease in accrued liabilities	(4,180)	(2,732)
(Increase) decrease in due from parent	(2,093)	550
Increase in accounts payable	3,303	140
(Increase) decrease in other liabilities	(170)	3,247
Net cash (used in) operating activities	(4,477)	(963)
Investing activities:		
Return of investment in unconsolidated real estate joint ventures	—	2,068
Investments in unconsolidated real estate joint ventures	(2,922)	(4,920)
Proceeds from repayment of loans receivable	3,909	1,179
Proceeds from sales of real estate held-for-sale	(47)	1,936
Additions to real estate held-for-sale and held-for-investment	(51)	(289)
Purchases of property and equipment	(3,548)	(2,180)
Decrease in cash from other investing activities	—	(42)
Net cash (used in) investing activities	(2,659)	(2,248)

(Continued)

BBX Capital Florida LLC and Subsidiaries

Combined Carve-Out Statements of Cash Flows—Unaudited

(in thousands)	For the Three Months Ended March 31, 2020	2019
Financing activities:		
Repayments of notes payable and lines-of-credit	(5,771)	(2,357)
Proceeds from notes payable and lines-of-credit	6,375	1,304
Net transfers from parent	3,448	6,238
Net cash provided by financing activities	4,052	5,185
(Decrease) increase in cash, cash equivalents and restricted cash	(3,084)	1,974
Cash, cash equivalents and restricted cash at beginning of period	21,287	30,082
Cash, cash equivalents and restricted cash at end of period	$ 18,203	32,056
Supplemental cash flow information:		
Interest paid on borrowings, net of amounts capitalized	$ —	57
Income taxes paid	—	46
Supplementary disclosure of non-cash investing and financing activities:		
Construction funds receivable transferred to real estate	—	2,288
Operating lease assets recognized upon adoption of ASC 842	—	86,431
Operating lease liabilities recognized upon adoption of ASC 842	—	95,296
Operating lease assets obtained in exchange for new operating lease liabilities	180	6,069
Increase in other assets upon issuance of Community Development District Bonds	185	8,110
Assumption of Community Development District Bonds by builders	1,532	1,035
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	17,642	24,751
Restricted cash	529	972
Cash discontinued operations	32	6,333
Total cash, cash equivalents, and restricted cash	$ 18,203	32,056

See Notes to Combined Carve-Out Financial Statements—Unaudited

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements—Unaudited

1. Organization

BBX Capital Florida LLC and its subsidiaries (the "Company" or, unless otherwise indicated or the context otherwise requires, "we," "us," or "our") is a Florida-based diversified holding company. BBX Capital Florida LLC as a standalone entity without its subsidiaries is referred to as "New BBX Capital."

New BBX Capital is currently wholly owned by BBX Capital Corporation ("BBX Capital" or "Parent") and includes subsidiaries which hold or will hold substantially all of the BBX Capital's investments other than its investment in Woodbridge Holdings Corporation ("Woodbridge"), which owns greater than 90% of the common stock of Bluegreen Vacations Corporation. BBX Capital previously formed New BBX Capital and merged the former BBX Capital Corporation ("BCC") into it in December 2016.

On June 17, 2020, the Parent announced plans tospin-off the Company to its stockholders through a pro rata distribution of the Company's stock to the Parent's existing shareholders. The spin-off transaction is expected to be taxable to the Parent's stockholders. The distribution is subject to the satisfaction or waiver of certain conditions, including, among other things, final approval of the distribution by the Parent's shareholders, the Information Statement on Form 10, of which these financial statements form a part, being declared effective by the Securities and Exchange Commission ("SEC"), and New BBX Capital's common stock being approved for listing on a national securities exchange.

Principal Investments

New BBX Capital's principal investments include, BBX Capital Real Estate LLC ("BBX Capital Real Estate"), Renin Holdings, LLC ("Renin"), and BBX Sweet Holdings, LLC ("BBX Sweet Holdings").

BBX Capital Real Estate

BBX Capital Real Estate is engaged in the acquisition, development, construction, ownership, financing, and management of real estate and investments in real estate joint ventures, including investments in multifamily apartment and townhome communities, single-family master-planned communities, and commercial properties located primarily in Florida. In addition, BBX Capital Real Estate owns a 50% equity interest in The Altman Companies, LLC (the "Altman Companies"), a developer and manager of multifamily apartment communities, and manages the legacy assets acquired in connection with BBX's sale of BankAtlantic in 2012, including portfolios of loans receivable and real estate properties.

BBX Sweet Holdings

BBX Sweet Holdings is engaged in the ownership and management of operating businesses in the confectionery industry, including IT'SUGAR, Hoffman's Chocolates, and Las Olas Confections and Snacks. IT'SUGAR is a specialty candy retailer which operates approximately 100 retail locations, which include a mix of high-traffic resort and entertainment, lifestyle, mall/outlet, and urban locations in over 25 states and Washington D.C., and its products include bulk candy, candy in giant packaging, and novelty items. Hoffman's Chocolates is a retailer of gourmet chocolates with retail locations in South Florida, and Las Olas Confections and Snacks is a manufacturer and wholesaler of chocolate and other confectionery products.

Renin

Renin is engaged in the design, manufacture, and distribution of sliding doors, door systems and hardware, and home décor products and operates through its headquarters in Canada and two manufacturing and distribution facilities in the United States and Canada. In addition to its own manufacturing, Renin also sources various products and raw materials from China.

Other

In addition to its principal investments, the Company has investments in other operating businesses, including a restaurant located in South Florida that was acquired through a loan foreclosure and an insurance agency.

In 2016, Food for Thought Restaurant Group ("FFTRG"), a wholly-owned subsidiary of the Company, entered into area development and franchise agreements with MOD Pizza related to the development of up to approximately 60 MOD Pizza franchised restaurant locations throughout Florida. Through 2019, FFTRG had opened nine restaurant locations. As a result of FFTRG's overall operating performance and the Company's goal of streamlining its investment verticals, the Company entered into an agreement with MOD Pizza to terminate the area development and franchise agreements and transferred seven of its restaurant locations, including the related assets, operations, and lease obligations, to MOD Pizza in September 2019. In addition, the Company closed the remaining two locations and terminated the related lease agreements. MOD is presented as discontinued operations in the Company's combined carve-out financial statements.

Basis of Presentation

The accompanying combined carve-out financial statements of the Company include the combined financial statements of New BBX Capital and its subsidiaries, including BBX Capital Real Estate, BBX Sweet Holdings, Renin, and FFTRG, as well as certain subsidiaries in which ownership is expected to be transferred from the Parent in connection with the spin-off transaction described above.

These combined carve-out financial statements have been derived from the accounting records of these companies and should be read with the accompanying notes thereto. Further, the combined carve-out financial statements do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Company been a separate entity nor are they indicative of the future results of the Company.

The majority of the assets, liabilities, revenues, expenses, and cash flows of the Company have been identified based on the existing legal entities. However, the historical costs and expenses reflected in the financial statements also include an allocation for certain corporate and shared service functions historically provided by the Parent. These expenses have been allocated to the Company on the basis of direct usage when identifiable, while the remainder of the expenses, including costs related to executive compensation, were allocated primarily on a pro-rata basis of combined revenues and equity in earnings of unconsolidated joint ventures of the Parent and its subsidiaries. The Company believes that the assumptions underlying the combined carve-out financial statements, including the assumptions regarding the allocation of general corporate expenses from the Parent, are reasonable. However, the combined carve-out financial statements may not include all of the actual expenses that would have been incurred had the Company been operating as a standalone company during the periods presented. Actual costs that would have been incurred if the Company operated as a standalone company would depend on multiple factors, including organizational structure, technology infrastructure, and strategic direction. The Company also may incur additional costs associated with being a public company that are not reflected in the accompanying financial statements.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic has been, and continues to be, an unprecedented disruption in the U.S. and global economies and the industries in which the Company operates due to, among other things, government ordered

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"shelter in place" and "stay at home" orders and advisories, travel restrictions, and restrictions on business operations, including required closures of retail locations. The disruptions arising from the pandemic and the reaction of the general public had a significant adverse impact on the Company's financial condition and operations during the three months ended March 31, 2020. The duration and severity of the pandemic and related disruptions, as well as the adverse impact on economic and market conditions, are uncertain; however, given the nature of these circumstances, the adverse impact of the pandemic on the Company's combined carve-out results of operations, cash flows, and financial condition in 2020 has been, and is expected to continue to be, material. Furthermore, although the duration and severity of the effects of the pandemic are uncertain, it is expected that demand for many of the Company's products and services may remain weak for a significant length of time, and the Company cannot predict if and when the industries in which the Company operates will return to pre-pandemic levels.

Although the impact of the COVID-19 pandemic on the Company's principal investments, including management's efforts to mitigate the effects of the pandemic, has varied, as described in further detail below, New BBX Capital and its subsidiaries have taken steps to manage expenses through cost saving initiatives and reductions in employee head count and taken actions to increase liquidity and strengthen the Company's financial position, including drawing cash from certain available lines of credit and reducing planned capital expenditures.

The following summarizes the current impact of the COVID-19 pandemic on the Company's principal investments:

BBX Capital Real Estate

Construction activities remain ongoing at BBXRE's existing projects; however, the effects of the COVID-19 pandemic, including "shelter in place" and "stay at home" orders and advisories and increased unemployment and economic uncertainty, have disrupted sales activities at BBXRE's single-family home developments and rental activities at its multifamily apartment developments. In addition, the effects of the pandemic, including the impact on general economic conditions and real estate and credit markets, have increased uncertainty related to the expected timing and pricing of future sales of multifamily apartment developments, single-family homes, and developed lots at BBXRE's Beacon Lake Community, as well as the commencement of new multifamily apartment developments. While the Company expects that the impact of the COVID-19 pandemic will adversely affect BBXRE's operating results and financial condition for the year ended December 31, 2020, particularly with respect to the expected timing of sales, the Company determined that its existing real estate investments were not impaired as of March 31, 2020 as the impact of the pandemic on real estate values was uncertain at such time. BBXRE will continue to monitor economic and market conditions and may recognize impairment losses in future periods to the extent that the effects of the pandemic have a severe and sustained adverse impact on the real estate market.

BBX Sweet Holdings

As of March 31, 2020, IT'SUGAR had closed all of its retail locations and furloughed all store employees and the majority of its corporate employees. As of March 31, 2020, IT'SUGAR was not generating any trade sales other than limited sales through its website and wholesale channels and has not made rent payments to the landlords of its retail locations. IT'SUGAR is currently in discussions with its landlords for rent abatements or deferrals and has commenced a phased reopening of its retail locations that started in May 2020. However, as a result of the prolonged closure of its retail locations that commenced in March 2020, IT'SUGAR does not believe that it will have sufficient liquidity to continue its full operations if it is unable to obtain significant rent

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abatements or deferrals from its landlords and amended payment terms from its vendors and, if it is not successful with these negotiations, may decide to pursue a formal or informal restructuring. Further, the effects of the COVID-19 pandemic on demand and future sales levels, including a recessionary economic environment and the potential impact of the pandemic on consumer behavior, remain uncertain and could have a long-term and significant adverse impact on IT'SUGAR's business, results of operations, and financial condition and its ability to continue its operations. As a result, the Company recognized $24.7 million of impairment losses related to IT'SUGAR's goodwill and long-lived assets during the quarter ended March 31, 2020. See Note 6 for additional information with respect to the recognition of these impairment losses.

In addition to the material adverse impact of the COVID-19 pandemic on IT'SUGAR's operations, BBX Sweet Holdings' other operations have also been adversely impacted by the pandemic. In particular, as of March 31, 2020, Hoffman's Chocolates has closed all of its retail locations to customer traffic and limited sales to curbside pickup (where allowable by government mandates) and online customers. In addition, Hoffman's Chocolates is in discussions with its landlords for rent abatements and deferrals. Hoffman's Chocolates began a phased reopening of stores in May 2020. While Las Olas Confections and Snacks has continued to operate its manufacturing facility and sell products to its wholesale customers, its sales activity has declined as a result of the effects of the pandemic. In response to the effects of the pandemic, both Hoffman's Chocolates and Las Olas Confections and Snacks have implemented several cost mitigating activities, including a reduction of workforce and indefinite furlough of certain employees.

Renin

Renin is continuing to operate both of its manufacturing and distribution facilities, source various products and raw materials from China and Vietnam, and sell its products through various channels. While its operating results for the three months ended March 31, 2020 were not significantly impacted by the COVID-19 pandemic, Renin's sales volumes have declined subsequent to March 31, 2020, which management believes is attributable to the effects of the pandemic, including a recessionary economic environment and rising unemployment. In addition, such effects could have a significant adverse impact on Renin's results of operations and financial condition in future periods, particularly to the extent that an economic downturn is prolonged in nature or results in material disruptions in the supply chains for its products and raw materials. Renin is continuing to monitor the potential effects of the pandemic and is exploring various opportunities through which it could attempt to mitigate such effects, including increasing online sales and implementing cost reduction initiatives.

Recently Adopted Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued the following Accounting Standards Updates ("ASU") and guidance relevant to the Company's operations which were adopted as of January 1, 2020:

ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments (as subsequently amended and clarified by various ASUs). This standard introduces an approach of estimating credit losses on certain types of financial instruments based on expected losses and expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating its allowance for credit losses. The standard also requires entities to record an allowance for credit losses for available for sale debt securities rather than reduce the carrying amount under the other-than temporary impairment model. In addition, the standard requires entities to disclose the amortized cost balance for each class of financial asset by credit quality indicator, disaggregated by the year of origination (i.e., by vintage year). The Company adopted this standard on January 1, 2020 using a modified retrospective method. The Company did not recognize a cumulative effect adjustment upon adoption of the standard as the Company's trade receivables are generally due 30 to 60 days from the date of the invoice with minimal historical loss experience. The Company's loans receivable are legacy loans from the BankAtlantic sale that have been written down to the collateral value less cost to sell with interest recognized on a cash basis. As such, the adoption of the standard did not have a material impact on the Company's combined carve-out financial statements.

ASU 2018-15, Intangibles (Topic 350-40): Goodwill and Other—Internal-Use Software. This standard requires a customer in a cloud computing arrangement that is a service contract ("CCA") to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. The standard also requires entities to present implementation costs related to a CCA in the same financial statement line items as the CCA service fees. The Company adopted this standard on January 1, 2020 and is applying the transition guidance as of the date of adoption prospectively, under the current period adjustment method. The adoption of the standard did not have a material impact on the Company's combined carve-out financial statements.

ASU No. 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. This standard modifies the disclosure requirements in Topic 820 related to the valuation techniques and inputs used in fair value measurements, uncertainty in measurement, and changes in measurements applied. This standard was effective for the Company on January 1, 2020, and the adoption of the standard did not have a material impact on the Company's combined carve-out financial statements and disclosures.

Future Adoption of Recently Issued Accounting Pronouncements

The FASB has issued the following accounting pronouncements and guidance relevant to the Company's operations which had not been adopted by the Company as of March 31, 2020:

ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. This standard removes specific exceptions to the general principles in Topic 740 including exceptions related to (i) the incremental approach for intraperiod tax allocations, (ii) accounting for basis differences when there are ownership changes in foreign investments, and (iii) interim period income tax accounting for year-to-date losses that exceed anticipated losses. The statement is effective for the Company on January 1, 2021 and interim periods within that fiscal year. Early adoption is permitted. The Company is currently evaluating the impact that this standard may have on its combined carve-out financial statements.

ASU No. 2020-04 Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This standard provides relief for companies preparing for discontinuation of LIBOR in response to the Financial Conduct Authority (the regulatory authority over LIBOR) plan for a phase out of regulatory oversight of LIBOR interest rate indices after 2021 to allow for an orderly transition to an alternate reference rate. The Alternative Reference Rates Committee ("ARRC") has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to LIBOR for promissory notes or other contracts that are currently indexed to LIBOR. The ARRC has proposed a market transition plan to SOFR from LIBOR, and organizations are currently working on transition plans as it relates to derivatives and cash markets exposed to LIBOR. The Company currently has $14.5 million of LIBOR indexed lines of credit and notes payable all maturing before 2021. Although companies can apply this standard immediately, the guidance will only be available for a limited time, generally through December 31, 2022. The Company is currently evaluating the potential impact that the eventual replacement of the LIBOR benchmark interest rate could have on its results of operations, liquidity and combined carve-out financial statements and the related impact that this standard may have on its combined carve-out financial statements.

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FASB Staff Q&A Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic (Topic 842): The FASB issued guidance on lease concessions related to the effects of the COVID-19 pandemic allowing entities to make an election to account for lease concessions related to the effects of the COVID-19 pandemic as if the enforceable rights and obligations for those concessions existed in the lease contract (regardless of whether those enforceable rights and obligations for the concessions explicitly exist in the lease contract). Consequently, for concessions related to the effects of the COVID-19 pandemic, an entity will not have to analyze each contract to determine whether enforceable rights and obligations for concessions exist in the contract and can elect to apply or not apply the lease modification guidance of Topic 842. The election only applies to concessions that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee. The Company has elected to account for lease concessions related to the effects of the COVID-19 pandemic as if the rights and obligations related to such concessions existed in the related lease agreements.

2. Trade Accounts Receivable

The Company's trade receivables consisted of the following (in thousands):

	March 31, 2020	December 31, 2019
Trade receivables	$ 15,061	13,274
Allowance for bad debts	(223)	(170)
Total trade inventory	$ 14,838	13,104

3. Trade Inventory

The Company's trade inventory consisted of the following (in thousands):

	March 31, 2020	December 31, 2019
Raw materials	$ 3,663	3,048
Paper goods and packaging materials	1,413	1,327
Finished goods	17,455	18,468
Total trade inventory	$ 22,531	22,843

4. Real Estate

The Company's real estate consisted of the following (in thousands):

	March 31, 2020	December 31, 2019
Real estate held-for-sale	$ 11,348	11,297
Real estate held-for-investment	6,017	6,015
Real estate inventory	45,733	48,506
Total real estate	$ 63,098	65,818

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5. Investments in Unconsolidated Real Estate Joint Ventures

As of March 31, 2020, the Company had equity interests in unconsolidated real estate joint ventures involved in the development of multifamily apartment and townhome communities, as well as single-family master planned communities. In addition, the Company owns a 50% equity interest in the Altman Companies, a developer and manager of multifamily apartment communities.

Investments in unconsolidated real estate joint ventures are accounted for as unconsolidated VIEs.

Investments in unconsolidated real estate joint ventures consisted of the following (in thousands):

	March 31, 2020	December 31, 2019
Altis at Grand Central Capital, LLC	$ 2,612	2,653
Altis Promenade Capital, LLC	2,059	2,126
Altis at Bonterra - Hialeah, LLC	598	618
Altis Ludlam - Miami Investor, LLC	1,096	1,081
Altis Suncoast Manager, LLC	762	753
Altis Pembroke Gardens, LLC	1,276	1,277
Altis Fairways, LLC	1,879	1,880
Altis Wiregrass, LLC	2,612	1,792
Altis LH-Miami Manager, LLC	821	811
Altis Vineland Pointe Manager, LLC	4,923	4,712
Altis Miramar East/West	2,665	2,631
The Altman Companies, LLC	15,737	14,745
ABBX Guaranty, LLC	3,750	3,750
Sunrise and Bayview Partners, LLC	1,448	1,562
PGA Design Center Holdings, LLC	996	996
CCB Miramar, LLC	6,865	5,999
BBX/Label Chapel Trail Development, LLC	140	1,126
L03/212 Partners, LLC	2,530	2,087
PGA Lender, LLC	2,111	2,111
Sky Cove, LLC	4,138	4,178
All other investments in real estate joint ventures	355	442
Total	$ 59,373	57,330

See Note 7 to the Company's combined carve-out financial statements for the years ended December 31, 2019, 2018 and 2017 included in this information statement for the Company's accounting policies relating to its investments in unconsolidated real estate joint ventures, including the Company's analysis and determination that such entities are VIEs in which the Company is not the primary beneficiary.

In March 2020, the Altis at Wiregrass joint venture sold its 392 unit multifamily apartment community in Tampa, Florida. As a result of the sale, BBXRE recognized $0.8 million of equity earnings during the three months ended March 31, 2020 and received approximately $2.3 million of distributions from the venture in April 2020.

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6. Goodwill

The activity in the balance of the Company's goodwill was as follows (in thousands):

	For the Three Months Ended March 31,	
	2020	2019
Balance, beginning of period	$ 37,248	37,248
Impairment losses	(22,384)	—
Balance, end of period	$ 14,864	37,248

The Company tests goodwill associated with its reporting units for potential impairment on an annual basis as of December 31 or during interim periods if impairment indicators exist. The Company concluded that the effects of the COVID-19 pandemic, including the recessionary economic environment and the impact on certain of the Company's operations, indicated that it was more likely than not that the fair values of certain of its reporting units with goodwill had declined below the respective carrying amounts of such reporting units as of March 31, 2020. As a result, the Company tested the goodwill associated with such reporting units for impairment by estimating the fair values of the respective reporting units as of March 31, 2020.

The Company generally applies an income approach utilizing a discounted cash flow methodology and a market approach utilizing a guideline public company and transaction methodology to estimate the fair value of its reporting units. The estimated fair values obtained from the income and market approaches are compared and reviewed for reasonableness to determine a best estimate of fair value. The Company's discounted cash flow methodology establishes an estimate of fair value by estimating the present value of the projected future cash flows to be generated from a reporting unit. The discount rate applied to the projected future cash flows to arrive at the present value is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. The Company generally uses a five to ten-year period in computing discounted cash flow values. The most significant assumptions used in the discounted cash flow methodology are generally the terminal value, the discount rate, and the forecast of future cash flows. The guideline public company methodology establishes an estimate of fair value based upon the trading prices of public traded companies that are similar to the applicable reporting unit, while the guideline transaction methodology establishes an estimate of fair value based on acquisitions of companies that are similar to the applicable reporting unit. Under these methods, the Company develops multiples of revenue and earnings before interest, taxes, depreciation and amortization ("EBITDA") based upon the indicated enterprise value, revenues, and EBITDA of the guideline companies and makes adjustments to such multiples based on various considerations, including the financial condition, operating performance, and relative risk of the guideline companies. The adjusted multiples are then applied to the revenues and EBITDA of the reporting unit to develop an estimated fair value of the reporting unit. Depending on the facts and circumstances applicable to the reporting unit and the guideline companies, the Company may place greater emphasis on the income or market approach to determine its best estimate of fair value.

In connection with its impairment testing as of March 31, 2020, the Company estimated that the fair value of the IT'SUGAR reporting unit was $27.3 million as of March 31, 2020 and recognized a goodwill impairment loss of $20.3 million during the quarter ended March 31, 2020 based on the excess of the carrying amount of the IT'SUGAR reporting unit over its estimated fair value. The Company primarily utilized a discounted cash flow methodology to estimate the fair value of the IT'SUGAR reporting unit and used the relevant market approaches to support the reasonableness of its estimated fair value under the income approach. The decline in the fair value of the IT'SUGAR reporting unit from December 31, 2019 primarily resulted from the effects of the COVID-19 pandemic on IT'SUGAR. In particular, the Company's estimated future cash flows incorporated the impact of the temporary closure of IT'SUGAR's retail locations over the next several months and the liabilities incurred by IT'SUGAR during the shutdown. In addition, the Company's estimates considered scenarios in which IT'SUGAR's business would stabilize following a phased reopening of its retail locations. The Company's estimated discount rate applicable to IT'SUGAR was also increased to reflect, among other things, changes in market conditions, the uncertainty of the duration and severity of the economic downturn, uncertainty related to the retail environment and consumer behavior, uncertainty related to IT'SUGAR's ability to stabilize its operations and implement its long-term strategies for its business, and the deterioration in IT'SUGAR's financial condition as a result of the effects of the COVID-19 pandemic.

In addition to the IT'SUGAR reporting unit, the Company estimated the fair value of certain of its other reporting units with goodwill and recognized goodwill impairment losses of $2.1 million during the three months ended March 31, 2020 related to these reporting units. The decline in the fair value of these reporting units from December 31, 2019 primarily resulted from the effects of the COVID-19 pandemic on these businesses.

Long-Lived Assets

The Company's long-lived assets include property and equipment, amortizable intangible assets, andright-of-use assets associated with its lease agreements. The Company tests its long-lived assets, or asset groups which include long-lived assets, for recoverability whenever events or changes in circumstances indicate that the carrying amount of such assets or asset groups may not be recoverable. The carrying amount of an asset or asset group is not considered recoverable when the carrying amount exceeds the sum of the undiscounted cash flows expected to result from the use of the asset or asset group. To the extent that the carrying amount of an asset or asset group exceeds the sum of such undiscounted cash flows, an impairment loss is measured and recorded based on the amount by which the carrying amount of the asset or asset group exceeds its fair value. Impairment losses associated with an asset group are allocated to long-lived assets within the asset group based on their relative carrying amounts; however, the carrying amount of individual long-lived assets within an asset group are not reduced below their individual fair values.

The Company concluded that the effects of theCOVID-19 pandemic indicated that the carrying amount of certain of its long-lived assets may not be recoverable, including asset groups associated with certain of its retail locations which were temporarily closed as a result of the pandemic. In such circumstances, the Company compared its estimated undiscounted cash flows expected to result from the use of such assets or asset groups with their respective carrying amounts, and to the extent that such carrying amounts were in excess of the related undiscounted cash flows, the Company estimated the fair values of the applicable assets or asset groups and recognized impairment losses based on the excess of the carrying amounts of such assets or asset groups over their estimated fair values. In certain circumstances, the Company estimated the fair value of individual assets within its asset groups, including right-of-use assets associated with its retail locations, to determine the extent to which an impairment loss would be allocated to such assets.

The Company generally estimated the fair value of the relevant assets or asset groups utilizing a discounted cash flow methodology which estimated the present value of the projected future cash flows expected to be generated from such assets or asset groups. When estimating the fair value of asset groups related to a retail location, the Company's estimated fair value considered the relevant market participants and the highest and best use for the location, including whether the value of the location would be maximized by operating the location in its current use or by permanently closing the location and subleasing it. In addition, to the extent applicable, the Company estimated the fair value of right-of-use assets associated with its retail locations using a discounted cash flow methodology which estimated the present value of market rental rates applicable to such right-of-use assets.

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As a result of the Company's testing of its long-lived assets for impairment as of March 31, 2020, the Company recognized impairment losses of $4.1 million during the quarter ended March 31, 2020 related primarily to leasehold improvements and right-of-use assets associated with certain of IT'SUGAR's retail locations. The recognition of these impairment losses primarily resulted from the effects of the COVID-19 pandemic on the estimated cash flows expected to be generated by the related assets.

7. Income Taxes

New BBX Capital and its subsidiaries were included in the consolidated federal and certain state income tax returns of the Parent. The accompanying combined carve-out financial statements allocates taxable income to the Company as if the Company was a separate taxpayer under the separate return basis.

Effective income tax rates for interim periods are based upon the Company's current estimated annual rate, which varies based upon the Company's estimate of taxable earnings or loss and the mix of taxable earnings or loss in the various states in which the Company operates. The Company's effective tax rate was applied to income or loss before income taxes reduced by net income attributable to noncontrolling interests in joint ventures taxed as partnerships. In addition, the Company recognizes taxes related to unusual or infrequent items or resulting from a change in judgment regarding a position taken in a prior period as discrete items in the interim period in which the event occurs.

The Company's effective income tax rate was approximately 19% and 28% during the three months ended March 31, 2020 and 2019, respectively. The Company's effective income tax rate for the three months ended March 31, 2020 and 2019 was different than the expected federal income tax rate of 21% due to the impact of nondeductible executive compensation and state income taxes. The effective income tax rate for the 2020 period reflects a current estimated ordinary taxable loss for the year ended December 31, 2020 resulting primarily from the effects of the COVID-19 pandemic.

8. Revenue Recognition

The table below sets forth the Company's revenue disaggregated by category (in thousands):

	For the Three Months Ended March 31,	
	2020	**2019**
Trade sales—wholesale	$ 20,874	22,369
Trade sales—retail	20,012	21,699
Sales of real estate inventory	6,439	4,236
Revenue from customers	47,325	48,304
Interest income	116	218
Net (losses) gains on sales of real estate assets	(47)	1,332
Other revenue	787	1,125
Total revenues	$ 48,181	50,979

9. Related Parties

The Company paid the Parent $0.9 million and $0.2 million during the three months ended March 31, 2020 and 2019, respectively, for management advisory and employer provided medical insurance. The Company reimbursed the Parent the actual cost of providing the services.

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The Company received $0.2 million, and $0.3 million for providing risk management consulting services to the Parent and Bluegreen Vacations Corporation for the three months ended March 31, 2020 and 2019.

Certain support functions paid for by the Parent were allocated to the Company based on gross revenues plus equity in earnings of unconsolidated real estate joint ventures. These support functions included treasury, tax, accounting, legal, internal audit, human resources, public and investor relations, general management, shared information technology systems, corporate governance activities, executive services and centralized managed employee benefit arrangements. The support function costs allocated to the Company and included in selling, general and administrative expenses in the Company's combined carve-out statements of operations and comprehensive loss for the three months ended March 31, 2020 and 2019 were $3.8 million and $5.8 million, respectively. The allocated support function costs were recognized as contributed capital in the Company's combined carve-out statements of financial condition for the three months ended March 31, 2020 and 2019.

The Company is a party to an Agreement to Allocate Consolidated Income Tax Liability and Benefits with the Parent. Under the agreement, the parties calculate their respective income tax liabilities and attributes as if each of them was a separate filer. If any tax attributes are used by another party to the agreement to offset its tax liability, the party providing the benefit will receive an amount for the tax benefits realized. As of March 31, 2020 and December 31, 2019, $0 and $2.8 million, respectively, was due to the Parent in accordance with the tax sharing agreement.

The components of net transfers from Parent in the combinedcarve-out statement of changes in equity consisted of the following (in thousands):

	For the Three Months Ended March 31,	
	2020	2019
Cash pooling	$ (355)	470
Corporate overhead allocations	3,803	5,768
Net transfers from parent	$3,448	6,238

In March 2018, the Parent, the Company, and a wholly-owned subsidiaries of the Parent ("Woodbridge") and certain wholly-owned subsidiaries of the Company ("BBX Sweet Holdings and Food for Thought Restaurant Group-Florida, LLC") entered into a $50.0 million revolving credit facility with Iberiabank as co-borrowers. Amounts borrowed under the facility accrue interest at a floating rate of30-day LIBOR plus a margin of 3.0% to 3.75% or the Prime Rate plus a margin of 1.50% to 2.25%. The applicable margin is based on the Parent's debt to EBITDA ratio. Payments of interest only are payable monthly. The facility matures, and all outstanding principal and interest will be payable, on June 30, 2021, with a twelve month renewal option at Parent's request, subject to the satisfaction of certain conditions. The facility is secured by a pledge of a percentage of the Parent's membership interests in Woodbridge having a value of not less than $100 million. Borrowings under the facility may be used for business acquisitions, real estate investments, stock repurchases, letters of credit, and general corporate purposes. Any one of the borrowers can make a funding request subject to availability and specific satisfaction of the terms and conditions of the advance for the specified purpose. There were no credit facility borrowings as of March 31, 2020 or December 31, 2019.

10. Commitments and Contingencies

From time to time, the Company may become subject to threatened and/or asserted claims arising in the ordinary course of business. Management is not aware of any matters that have not been recorded, either individually or in the aggregate, that are reasonably likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

The Parent guarantees certain obligations of the Company's unconsolidated real estate joint ventures and debt obligations, including the following:

- The Parent is a guarantor of 50% of the outstanding balance of a third party loan to the Sunrise and Bayview Partners, LLC real estate joint venture, which had an outstanding balance of $5.0 million as of December 31, 2019.
- The Parent is a guarantor on certain notes payable by its wholly-owned subsidiaries. See Note 12 for additional information regarding these obligations.

11. Fair Value Measurement

Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three main valuation techniques to measure the fair value of assets and liabilities: the market approach, the income approach and the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses financial models to convert future amounts to a single present amount and includes present value and option-pricing models. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset and is often referred to as current replacement cost.

The accounting guidance for fair value measurements defines an input fair value hierarchy that has three broad levels and gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The input fair value hierarchy is summarized below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability

Level 3: Unobservable inputs for the asset or liability

There were no material assets or liabilities measured at fair value on a recurring or nonrecurring basis in the Company's combined carve-out financial statements as of March 31, 2020 and December 31, 2019.

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Financial Disclosures about Fair Value of Financial Instruments

The tables below set forth information related to the Company's combined carve-out financial instruments (in thousands):

	Carrying Amount As of March 31, 2020	Fair Value As of March 31, 2020	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	$ 17,642	17,642	17,642	—	—
Restricted cash	529	529	529	—	—
Financial liabilities:					
Notes payable and lines of credit	41,904	43,284	—	—	43,284

			Fair Value Measurements Using		
	Carrying Amount As of December 31, 2019	Fair Value As of December 31, 2019	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	$ 20,723	20,723	20,723	—	—
Restricted cash	529	529	529	—	—
Financial liabilities:					
Notes payable and lines of credit	42,736	45,669	—	—	45,669

The amounts reported in the combined carve-out statements of financial condition for cash and cash equivalents and restricted cash approximate fair value.

The fair values of the Company's Community Development Bonds, which are included in notes payable and lines of credit above, were measured using the market approach with Level 3 inputs obtained based on estimated market prices of similar financial instruments.

The fair values of the Company's notes payable and lines of credit (other than other borrowings and Community Development Bonds above) were measured using the income approach with Level 3 inputs by discounting the forecasted cash outflows associated with the debt using estimated market discount rates.

The Company's financial instruments also includes trade accounts receivable, accounts payable and accrued liabilities. The carrying amount of these financial instruments approximate their fair values due to their short-term maturities.

The Company is exposed to credit related losses in the event of non-performance by counterparties to the financial instruments with a maximum exposure equal to the carrying amount of the assets. The Company's exposure to credit risk consists of accounts receivable balances.

12. Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is regularly reviewed by the chief operating decision maker ("CODM") in assessing performance and deciding how to allocate resources. Reportable segments consist of one or more operating segments with similar economic characteristics, products and services, production processes, type of customer, distribution system or regulatory environment.

The information provided for segment reporting is obtained from internal reports utilized by the Company's CODM, and the presentation and allocation of assets and results of operations may not reflect the actual economic costs of the segments as standalone businesses. If a different basis of allocation were utilized, the relative contributions of the segments might differ, but the relative trends in the segments' operating results would, in management's view, likely not be impacted.

The Company's three reportable segments are as follows: BBX Capital Real Estate, BBX Sweet Holdings and Renin. See Note 1 for a description of the Company's reportable segments.

In the segment information for the three months ended March 31, 2020 and 2019, amounts set forth in the column entitled "Other" include the Company's investments in various operating businesses, including a controlling financial interest in a restaurant acquired in connection with a loan receivable default. The amounts set forth in the column entitled "Reconciling Items and Eliminations" include unallocated corporate general and administrative expenses.

The Company evaluates segment performance based on segment income from continuing operations before income taxes.

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BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements—Unaudited

The table below sets forth the Company's segment information as of and for the three months ended March 31, 2020 (in thousands):

	BBX Capital Real Estate	BBX Sweet Holdings	Renin	Other	Reconciling Items and Eliminations	Segment Total
Revenues:						
Trade sales	$ —	21,329	17,446	2,111	—	40,886
Sales of real estate inventory	6,439	—	—	—	—	6,439
Interest income	104	14	—	—	(2)	116
Net losses on sales of real estate assets	(47)	—	—	—	—	(47)
Other revenue	460	119	—	249	(41)	787
Total revenues	6,956	21,462	17,446	2,360	(43)	48,181
Costs and expenses:						
Cost of trade sales	—	14,770	14,275	735	—	29,780
Cost of real estate inventory sold	4,632	—	—	—	—	4,632
Interest expense	—	61	114	3	(178)	—
Recoveries from loan losses, net	(3,512)	—	—	—	—	(3,512)
Impairment losses	—	24,708	—	2,727	—	27,435
Selling, general and administrative expenses	2,336	10,900	2,618	1,743	3,723	21,320
Total costs and expenses	3,456	50,439	17,007	5,208	3,545	79,655
Equity in net earnings of unconsolidated real estate joint ventures	551	—	—	—	—	551
Other income (expense)	—	39	(3)	—	—	36
Foreign exchange gain	—	—	278	—	—	278
Income (loss) from continuing operations before income taxes	$ 4,051	(28,938)	714	(2,848)	(3,588)	(30,609)
Total assets	$ 141,138	139,849	35,477	6,294	10,094	332,852
Expenditures for property and equipment	$ —	3,126	391	31	—	3,548
Depreciation and amortization	$ —	1,433	306	25	—	1,764
Debt accretion and amortization	$ 95	55	37	—	—	187
Cash and cash equivalents	$ 10,132	3,079	3,876	555	—	17,642
Equity method investments	$ 59,373	—	—	—	—	59,373
Goodwill	$ —	14,864	—	—	—	14,864
Notes payable and lines of credit	$ 25,651	5,749	10,504	—	—	41,904

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BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements—Unaudited

The table below sets forth the Company's segment information as of and for three months ended March 31, 2019 (in thousands):

	BBX Capital Real Estate	BBX Sweet Holdings	Renin	Other	Reconciling Items and Eliminations	Segment Total
Revenues:						
Trade sales	$ —	22,131	19,343	2,594	—	44,068
Sales of real estate inventory	4,236	—	—	—	—	4,236
Interest income	202	15	—	—	1	218
Net gains on sales of real estate assets	1,332	—	—	—	—	1,332
Other revenue	684	14	—	451	(24)	1,125
Total revenues	6,454	22,160	19,343	3,045	(23)	50,979
Costs and expenses:						
Cost of trade sales	—	15,397	15,117	837	—	31,351
Cost of real estate inventory sold	2,643	—	—	—	—	2,643
Interest expense	—	44	140	1	(34)	151
Recoveries from loan losses, net	(961)	—	—	—	—	(961)
Selling, general and administrative expenses	2,494	10,211	3,035	1,886	5,744	23,370
Total costs and expenses	4,176	25,652	18,292	2,724	5,710	56,554
Equity in net losses of unconsolidated real estate joint ventures	(17)	—	—	—	—	(17)
Other income	162	209	—	5	—	376
Foreign exchange gain	—	—	5	—	—	5
Income (loss) from continuing operations before income taxes	$ 2,423	(3,283)	1,056	326	(5,733)	(5,211)
Total assets	$ 175,195	155,022	34,856	31,631	10,140	406,844
Expenditures for property and equipment	$ 3	1,266	115	796	—	2,180
Depreciation and amortization	$ 93	1,359	298	287	—	2,037
Debt accretion and amortization	$ 86	57	8	—	—	151
Cash and cash equivalents	$ 18,846	4,911	—	7,327	—	31,084
Equity method investments	$ 67,382	—	—	—	—	67,382
Goodwill	$ —	35,521	—	1,727	—	37,248
Notes payable and lines of credit	$ 31,959	3,587	8,059	—	—	43,605

13. Discontinued Operations

In September 2019, due to continuing losses at FFTRG's MOD Pizza restaurant locations and the Company's goal of streamlining its investment verticals, the Company entered into an agreement with MOD Super-Fast

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements—Unaudited

Pizza, LLC (“MOD”, the franchisor) to terminate FFTRG’s area development and franchise agreements. The Company disposed of its restaurant locations by transferring the assets and lease obligations to MOD or closing the restaurant locations receiving no consideration upon disposal and recognizing a $6.7 million impairment charge.

The carrying amount of major classes of assets and liabilities included as part of discontinued operations is as follows (in thousands):

	March 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 32	35
Operating lease assets	—	772
Other assets	60	185
Discontinued operations total assets	$ 92	992
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	$ 26	2
Accrued expenses	116	134
Operating lease liability	889	905
Discontinued operations total liabilities	$ 1,031	1,041

The major components of loss from discontinued operations are as follows (in thousands):

	For the Three Months Ended March 31,	
	2020	2019
Revenues:		
Trade sales	$ —	1,925
Other revenue	—	24
Total revenues	—	1,949
Costs and Expenses:		
Cost of trade sales	—	950
Depreciation, amortization and accretion, net	—	255
Impairment losses	848	618
Selling, general and administrative expenses	41	1,791
Total costs and expenses	889	3,614
Pre-tax loss from discontinued operations	$ (889)	(1,665)

BBX Capital Florida LLC and Subsidiaries

Notes to the Combined Carve-Out Financial Statements—Unaudited

The following are the major components of the statement of cash flows from discontinued operations (in thousands):

	For the Three Months Ended March 31, 2020	2019
Operating activities:		
Net loss	$ (889)	(1,665)
Adjustment to reconcile net loss to net cash used by operating activities:		
Depreciation, amortization and accretion, net	—	255
Impairment losses	848	618
Increase in trade inventory	—	(12)
Decrease in other assets	47	279
Change in operating lease assets and liabilities	(16)	38
Increase in accounts payable	24	17
Decrease in accrued expenses	(18)	(495)
Net cash used in operating activities	$ (4)	(965)
Investing activities:		
Cash paid for intangible assets	$ —	(60)
Purchases of property and equipment	—	(524)
Net cash used in investing activities	$ —	(584)

Included in discontinued operations was a $889,000 lease obligation associated with a lease contract for a restaurant that was not opened. The Company is in negotiations with the landlord to terminate the lease and is currently in default of its lease obligation. As a result of the default, the Company recognized an impairment loss on the associated operating lease asset of $848,000 during the three months ended March 31, 2020.

14. Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through June 17, 2020, the date the financial statements were available to be issued. As of such date, there were no subsequent events identified that required recognition or disclosure other than disclosed below or in the footnotes herein.

In connection with the Company's development of the Beacon Lakes Community, The Meadow View at Twin Creeks CDD (the "Beacon Lakes CDD") was formed by St. Johns County, Florida to use bond financing to fund the construction of infrastructure improvements at the Beacon Lakes Community. The Beacon Lakes CDD issues bonds periodically to fund ongoing construction of the Beacon Lakes Community, and in May 2020, the Beacon Lakes CDD issued $8.6 million of CDD bonds. The CDD bond obligations issued in May 2020 have fixed interest rates ranging from 4.25% to 5.38% and mature at various times during the years 2026 through 2051. The Company at its option has the ability to repay a specified portion of the bonds at the time that it sells developed lots in the Beacon Lakes Community.

In June 2020, the Company invested an additional $8.5 million in the Altis at Ludlam joint venture for an aggregate investment in the project of $8.9 million. The Altis at Ludlam project is anticipated to be an approximate 310 unit multi family community with approximately 6,000 square feet of retail space located in Miami, Florida.

Exhibit 99.2

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Members
Hialeah Communities, LLC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Hialeah Communities, LLC and Subsidiary, (the "Company"), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Marcum LLP

Marcum LLP
New York, NY
February 15, 2018

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Real Estate Inventories	$ 221,298	$ 28,246,338
Other Assets		
Cash	1,749,684	2,719,239
Due from affiliates	5,507	340,777
Other receivables	127,968	303,465
Prepaid expenses and other assets	3,537	742,763
Furniture and equipment, net of accumulated depreciation of $313,816 for 2017 and $88,778 for 2016	—	438,696
Total Assets	$ 2,107,994	$ 32,791,278
Liabilities and Members' Equity		
Liabilities		
Notes payable, net	$ 143,100	$ 12,989,275
Bond assessments payable	18,073	3,288,935
Homebuyer deposits	33,425	4,973,656
Accounts payable and accrued expenses	927,137	2,936,061
Warranty reserve	316,108	195,552
Due to affiliates	70,445	—
Due to members	—	522,524
Total Liabilities	1,508,288	24,906,003
Commitments		
Members' Equity	599,706	7,885,275
Total Liabilities and Members' Equity	$ 2,107,994	$ 32,791,278

The accompanying notes are an integral part of these consolidated financial statements

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Home Sales	$ 76,878,561	$ 84,599,944
Cost of Sales	51,072,127	62,315,102
Gross Profit	25,806,434	22,284,842
Expenses		
Project management fee	546,000	546,000
Selling & marketing	489,052	752,982
Sales commissions	3,294,070	2,783,771
General and administrative	579,726	394,655
Total Operating Expenses	4,908,848	4,477,408
Operating Income	20,897,586	17,807,434
Other Income (Expenses)		
Depreciation	(225,038)	(85,318)
Other income	3,527,927	260,308
Total Other Income	3,302,889	174,990
Net Income	$ 24,200,475	$ 17,982,424

The accompanying notes are an integral part of these consolidated financial statements

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	BBX Capital Asset Management, LLC	CC Bonterra, LLC	Total
Balance - January 1, 2016	$ 6,442,625	$ 4,860,226	$ 11,302,851
Distributions	(11,547,372)	(9,852,628)	(21,400,000)
Net income	8,781,267	9,201,157	17,982,424
Balance - December 31, 2016	3,676,520	4,208,755	7,885,275
Distributions	(14,357,636)	(17,128,408)	(31,486,044)
Net income	11,035,416	13,165,059	24,200,475
Balance - December 31, 2017	$ 354,300	$ 245,406	$ 599,706

The accompanying notes are an integral part of these consolidated financial statements

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash Flows From Operating Activities		
Net income	$ 24,200,475	$ 17,982,424
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	225,038	85,318
Changes in operating assets and liabilities:		
Restricted cash	—	28,571
Due from affiliates	335,270	(293,458)
Due to affiliates	70,445	(1,059,918)
Other receivables	175,497	1,277,458
Prepaid expenses and other assets	739,226	452,827
Accounts payable and accrued expenses	(699,617)	697,740
Warranty reserve	120,556	195,552
Homebuyer deposits	(4,940,231)	(302,791)
Due to members	(522,524)	374,031
Real estate inventories	27,060,537	547,388
Net Cash Provided by Operating Activities	46,764,672	19,985,142
Cash Flows Provided by (Used in) Investing Activities		
Sale/ (Additions) of furniture and equipment	213,658	(464,279)
Cash Flows From Financing Activities		
Repayments of notes payable	(33,393,844)	(51,494,600)
Proceeds from notes payable	20,202,865	49,064,902
Proceeds from issuance of bonds	—	4,014,591
Repayments of bonds assessment payable	(3,270,862)	(3,831,065)
Members' distributions	(31,486,044)	(21,400,000)
Financing costs paid	—	(86,177)
Net Cash Used in Financing Activities	(47,947,885)	(23,732,349)
Net Change in Cash	(969,555)	(4,211,486)
Cash - Beginning	2,719,239	6,930,725
Cash - Ending	$ 1,749,684	$ 2,719,239

The accompanying notes are an integral part of these consolidated financial statements

HIALEAH COMMUNITIES, LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Supplemental Disclosure of Cash Flow Information		
Cash paid for capitalized interest during the year	$ 285,135	$ 762,049
Supplemental Disclosure of Non Cash Transactions		
Amounts in accrued expenses included as additions to real estate inventories	$ 853,736	$ 2,163,043
Amortization of debt issuance costs capitalized to real estate inventories during the year	$ 344,804	$ 274,240

The accompanying notes are an integral part of these consolidated financial statements

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Hialeah Communities, LLC ("Hialeah") was organized as a limited liability company on October 31, 2013 under the laws of the state of Florida, by its sole member BBX Capital Asset Management, LLC ("BBX"). Hialeah was formed for the purpose of foreclosing on 114 acres of land. On July 21, 2014, Hialeah transferred ownership of approximately 64 acres of land planned for 777 residential units ("Parcels A, C, and D"), to other BBX affiliates, leaving Hialeah with 50 acres of land ("Parcel B"), which was planned for 394 single-family homes.

On July 23, 2014, CC Bonterra, LLC ("CC Bonterra") contributed $3,756,145 to Hialeah in exchange for a 43% membership interest. BBX received $2,256,145 of the proceeds from the contribution and the remaining 57% membership interest in Hialeah, leaving BBX with a capital account of $4,979,076. On July 23, 2014, the agreed upon fair value of Hialeah's land was $15,600,000 subject to an $8,338,000 mortgage. CC Bonterra is the managing member of Hialeah.

This project named Bonterra, is located at NW 154th Street and NW 97th Avenue, Miami-Dade County, Florida. It is a master planned community which is to include a total of approximately 1,171 single-family homes, villas, town homes and apartments, and will consist of a clubhouse, fitness center, resort pool, parks and a 15 acre lake.

As part of the master development plan, Hialeah entered into a joint development agreement with the owners of Parcels A, C, and D to perform land development necessary to prepare the parcels for the described residential uses (see Note 10 – Commitments and Contingencies). The various parties of the agreement will share in the allocated costs of the development.

The terms of Hialeah's limited liability operating agreement (the "LLC Agreement") provide that income and losses each year are to be allocated among the members to the extent necessary to cause the capital account balance of each member to equal the amounts distributed or amounts that would be distributed to such member had Hialeah sold all of its remaining assets, repaid all remaining liabilities and distributed all remaining proceeds among the members. The LLC Agreement provides for distributions of available cash flow to its members in accordance with certain priorities, as defined. BBX and CC Bonterra are entitled to receive a cumulative preferred return equal to 9% per annum compounded monthly, on the outstanding unreturned capital of the members existing from time to time. Hialeah's existence shall continue in perpetuity unless dissolved in accordance with the provisions of the LLC Agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Hialeah Communities, LLC and its wholly-owned subsidiary, Bonterra Communities TIC, LLC (collectively, the "Company"). All intercompany accounts and transactions have been eliminated in consolidation.

REAL ESTATE INVENTORIES

Real estate inventories are stated at the lower of cost or fair value, less the costs of sale and consists primarily of land, land development costs, homes under construction, speculative home and model homes. All direct and indirect acquisition and development costs, interest and other project costs are capitalized. Expenditures for general administrative costs, marketing and advertising costs are expensed as incurred.

Real estate inventories is assessed for impairment when management believes that events or changes in circumstances indicate that its carrying amount may not be recoverable. Based on this assessment, inventory that is considered impaired is written down to its fair value. Impairment losses are recognized through a charge to expense. There was no impairment losses recorded for the years ended December 31, 2017 and 2016.

CONCENTRATION OF CREDIT RISK

The Company maintains its cash primarily on deposit with one financial institution and at times these balances exceed federally insurable limits. Management of the Company believes it adequately mitigates this risk by only investing in major financial institutions.

WARRANTY RESERVES

In the normal course of business, the Company issues product warranties for home options and provides for estimated future warranty costs in the period in which the sale is recorded. The estimate is based on 0.25% of the total sales made during the year, which is adjusted for recent actual experience as needed. Because warranty estimates are forecasts that are based upon the best available information, claim costs may differ from amounts provided. Adjustments to initial obligations for warranties are made when changes in the obligations can be reasonably estimated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HOMEBUYER DEPOSITS

Homebuyer deposits are received upon signing a purchase agreement and are a minimum of 5% of the purchase price. Deposits are generally refundable if the customer fail to qualify with the Company's approved lender and notify the Company within 45 days of the contract. Forfeited buyer deposits related to home sales are recognized in other income in the period in which it is determined that the buyer will not complete the purchase of the property and the deposit is nonrefundable to the buyer.

INCOME TAXES

No provision for income taxes is necessary in the financial statements of the Company because limited liability companies are treated as partnerships for federal and state income tax purposes and are generally not subject to income tax at the entity level. All income and losses accrue directly to the members and are reported by them individually for tax purposes.

REVENUE RECOGNITION

Revenue from homebuilding is recognized upon closing of the sale when title and possession are transferred to the buyer. Once the homes are closed, the Company does not have significant continuing involvement with the home. Direct and indirect acquisition and construction costs are charged to earnings when the related revenue is recognized. Costs incurred in connection with homes for which construction is complete, as well as selling and administrative expenses are generally charged to earnings as incurred.

OTHER INCOME

Other income includes the delay fees charged to homebuyers, forfeited deposits from cancelled sales and the gain on sale of the clubhouse during the year ended December 31, 2017. The gain on sale of the clubhouse was approximately $3.2 million.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual amounts could differ from those estimates and those differences may be significant.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FURNITURE AND EQUIPMENT

Furniture and equipment are stated at cost and depreciated over the lesser of the useful life of the underlying assets or 5 years, using the straight-line method. As of December 31, 2017, all assets have been fully depreciated.

ADVERTISING COSTS

Marketing and advertising costs are expensed as incurred.

DEBT ISSUANCE COSTS

Debt issuance costs represent costs incurred in connection with obtaining long-term debt and are recorded as a direct deduction of note payable on the accompanying consolidated balance sheets. Debt issuance costs are amortized over the term of the related debt obligation. The amortization is capitalized as real estate inventory during the construction period, and relieved to cost of sales when the homes are sold.

PREPAID COMMISSIONS

The Company defers expensing commissions until the period in which the related revenue is earned. As a result, prepaid commissions represent the portion of the commission that is paid upon entering into a sales contract, which will be expensed at the time of the closing. Prepaid commissions are included in prepaid expenses and other assets on the consolidated balance sheets.

NOTE 3 – REAL ESTATE INVENTORIES

Real estate inventories comprise of the following as of December 31, 2017 and 2016:

	2017	2016
Land and land development	$ 88,831	$15,302,975
Homes in progress	—	10,832,387
Finished homes	132,467	825,303
Model homes	—	1,285,673
Total	$221,298	$28,246,338

NOTE 4 – NOTES PAYABLE

On December 31, 2012, BBX established a term loan (the "Loan') in the amount of $9,000,000 with a bank ("Lender"). On July 23, 2014, $8,338,000 of the balance was transferred to Hialeah as part of the contribution from BBX. The Loan required monthly payments of principal and interest, bore interest at Prime Rate plus 100 basis points, and had an original maturity date of December 31, 2019. The Loan was collateralized by Parcels B, C, and D, guaranteed by BBX, and was subject to certain covenants relating to liquidity and tangible net worth.

On March 11, 2015, Hialeah entered into two new agreements with the Lender; an amended and restated loan agreement (the "A&D Loan") and a revolving construction loan agreement (the "Construction Loan" and collectively the "Loans"). The A&D Loan was combined with the existing Loan balance with additional proceeds for a principal sum of $31,000,000. The Construction Loan provides for up to $12,000,000 of funding for home construction with a per unit advance limit, depending on the type of home being constructed. The Loans bear interest at LIBOR plus 2.5% per annum and require interest only payments on the outstanding principal balances through the initial maturity date of March 11, 2018 ("Initial Maturity Date"). Principal reduction payments, as defined, are due and payable in accordance with Section 5 of the loan agreements. The entire principal balances together with the accrued and unpaid interest are due and payable on the Initial Maturity Date. The Loans provide for the option to extend the maturity date through March 11, 2019, and are guaranteed partially by both BBX and Members of CC Bonterra and are collateralized by Parcels B, C, and D.

As of December 7, 2015, the Lender agreed to release Parcel C and Parcel D from collateral for Loans, as a result of the sale to an unrelated entity.

On April 11, 2016, the Company modified those existing loan agreements. The A&D Loan principal balance was reduced to $26,500,000 and the Construction Loan principal balance was increased to a maximum balance of $16,500,000. Maturity dates, extensions, and guarantees remain the same for both modified loans.

The A&D Loan continued to bear interest at LIBOR plus 2.5% per annum (3.1639% as of December 31, 2016). As of December 31, 2016, the A&D loan had an outstanding balance of $4,014,078. The A&D Loan was paid off in 2017.

The Construction Loan bears interest at LIBOR plus 2.85% per annum (4.281850% and 3.5139% as of December 31, 2017 and 2016, respectively). As of December 31, 2017 and 2016, the Construction Loan has an outstanding balance of $143,100 and $9,320,000, respectively.

NOTE 4 – NOTES PAYABLE (CONTINUED)

For the years ended December 31, 2017 and 2016, the Company incurred and capitalized $206,690 and $773,823 of interest, respectively.

Notes Payable consists of the following at December 31, 2017 and 2016:

	2017	2016
Principal balance	$143,100	$13,334,078
Less: unamortized debt issuance costs	—	(344,803)
Note payable less unamortized debt issuance costs	$143,100	$12,989,275

NOTE 5 – BOND ASSESSMENTS PAYABLE

The Bonterra Community Development District ("BCDD") is a unit of local government created under various State of Florida statutes that issued special assessment bonds to finance the acquisition and construction of the infrastructure at Hialeah.

The bonds are repaid by special assessment levied by the BCDD on the landowners in the BCDD boundaries. As a result, the Company is responsible for paying the special assessments with respect to the land it owns within the boundaries of the BCDD, during its period of ownership.

The BCDD issued bonds under original Bond Indenture Agreement ("Bond Agreement") dated November 12, 2015, bear an interest of 5.6% and mature on May 1, 2046. Interest is payable on May 1 and November 1 of each year beginning on May 1, 2016.

The bonds are secured by the pledged revenue received by the BCDD from the assessment levied and collected on the land within the District, and amounts in the Funds and Accounts as defined in the Bond Agreement.

As of December 31, 2017 and 2016, the bond payable has an outstanding balance of $18,073, and $3,288,935, respectively.

As of December 31, 2016, the remaining balance of $6,153,134 of construction funds available from the issued bonds were used and was included in real estate inventories on the accompanying consolidated balance sheets.

NOTE 6 – RELATED PARTY TRANSACTIONS

AFFILIATE FEES

Upon execution of the LLC Agreement, Hialeah agreed to pay a monthly fee of $50,000 per month to CC Devco, LLC ("Devco"), an affiliate of CC Bonterra, whereby Devco manages the Company's operations. A portion of the fee is capitalized to real estate inventories and the remaining balance is expensed as incurred. For the years ended December 31, 2017 and 2016, Hialeah incurred $600,000 each in affiliate fees.

As of December 31, 2017 and 2016, Hialeah capitalized $54,000 each, to real estate inventories on the accompanying consolidated balance sheets, while $546,000 were expensed as project management fee on the accompanying consolidated statements of income for both years ended December 31, 2017 and 2016.

SALARIES AND WAGES

Hialeah reimburses Devco for certain sales salaries and commissions paid on Hialeah's behalf. For the years ended December 31, 2017 and 2016, Hialeah incurred $293,668 and $397,673, respectively, of salaries, which are expensed as incurred and included in selling and marketing on the accompanying consolidated statements of income. Hialeah also incurred and paid $1,940 and $220,366 of prepaid commissions, which are expensed upon the closing of a home and are included in prepaid expenses and other assets on the accompanying consolidated balance sheets as of December 31, 2017 and 2016, respectively. As of December 31, 2017, the Company had incurred and expensed $846,602 of these commissions, which are included in sales commissions on the accompanying consolidated statements of income.

DUE FROM/ TO AFFILIATES

Due from affiliates represents the allocation of costs associated with the development agreement that have not been reimbursed by the parcel owners. As of December 31, 2017 and 2016, $977 and $7,743, respectively, are included in due from affiliates related to such reimbursements.

Due from/to affiliates also represents costs due from/to CC Devco for payroll reimbursements by the Company. At December 31, 2017, $70,445 was included in due to affiliates in the consolidated balance sheets. As of December 31, 2016, $333,034 is included in due from affiliates in the consolidated balance sheets.

NOTE 6 – RELATED PARTY TRANSACTIONS (CONTINUED)

DUE TO MEMBERS

For the year ended December 31, 2017, there were no costs to be reimbursed by the Company. As of December 31, 2016, due to members represents costs of $522,524 paid for by BBX for real estate taxes paid in 2016 to be reimbursed by the Company. These costs are included in due to members in the consolidated balance sheets.

NOTE 7 – PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets comprise of the following as of December 31, 2017 and 2016:

	2017	2016
Prepaid insurance	$ —	$154,504
Prepaid commissions	1,940	582,797
Deposits	1,597	1,597
Prepaid other	—	3,865
Total	$3,537	$742,763

NOTE 8 – OTHER RECEIVABLES

During 2016, other receivables consisted of an allocation of costs associated with the development agreement incurred by the Company related to Parcel C and an allocated portion of Parcel D that were sold to an unrelated entity in December of 2015. During 2017, the balance mostly consists of a deposit refund from Florida Power and Light, as well as a receivable from a sub-contractor.

NOTE 9 – CONCENTRATION RISKS

GEOGRAPHIC

The Company develops and sells land located in Hialeah, Florida. As a result, a substantial change in economic conditions, interest rates, or significant price fluctuations related to the real estate industry in Florida could adversely affect the Company's operations and have a material impact on the Company's financial position and results of operations.

NOTE 10 – COMMITMENTS & CONTINGENCIES

DEVELOPMENT AGREEMENT

On July 23, 2014, Hialeah entered into a development agreement with the owners of Parcels A, C, and D. Hialeah agreed to perform work related to the development of the land parcels ("Shared Cost Work") and certain costs associated with the development of the clubhouse and other amenities ("TIC Work") to be used by Parcel B, C, and D owners. The costs associated with the Shared Cost Work and TIC Work are being allocated amongst the owners based on an agreed upon schedule. The net costs of development, total costs less amounts reimbursed from the owners of Parcels A, C, and D are recorded in real estate inventories on the accompanying consolidated balance sheets.

HOMES UNDER CONTRACT

Upon entering into a contract to purchase a home, buyers are generally required to make a minimum down payment of 5% of the purchase price of the home. As of December 31, 2017, there were $33,425 in homebuyer deposits and 1 signed contract to purchase home. The remaining home was closed on January 18, 2018. As of December 31, 2016, there were $4,973,656 in homebuyer deposits and 115 signed contracts to purchase homes.

LETTERS OF CREDIT

From time to time, the Lender will issue letters of credit on behalf of the Company to guarantee the Company's financial obligations under certain contractual arrangements. The letters of credit mature within a year, but have the option to be extended for an additional year depending on contractual obligations. The Company has $1,402,256 of outstanding letters of credit as of December 31, 2017 and 2016.

LITIGATION

The Company from time to time is involved in legal actions arising in the ordinary course of business. The outcome of such matters is not expected to have a material adverse effect on the Company's financial statements.

NOTE 11 – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after December 31, 2017 up through February 15, 2018, the date these financial statements were available for issue. Other than disclosed in Note 10, the Company has not identified any material subsequent events that require disclosure.