

Ridgedale Partners, LLC Issues Open Letter to Alan B. Levan, Chairman of the Board and Chief Executive Officer of BBX Capital Corporation

Highlights the “Levan Discount,” Otherwise Known as the Massive Discount to Net Asset Value Resulting from Association with Current Management/Insiders and Their Voting Control

Proposes that the Company Repurchase the Class B Common Stock at \$9.25 per share; Ridgedale Willing to Provide Capital if Necessary or Directly Purchase Majority Stake in the Class B Shares

Paying the Insiders a Massive Premium of almost 50% is Accretive to Class A Common Stock Holders due to the Levan Discount and Allows for Steps Towards Monetization to be Taken

LOS ANGELES, November 13, 2018 – Ridgedale Partners, LLC (“Ridgedale”), a significant shareholder in the common stock of BBX Capital Corporation (“BBX” or the “Company”) (NYSE:BBX), today issued an open letter to Alan B. Levan, Chairman of the Board and Chief Executive Officer of BBX, calling for the Board to immediately take action to address the large discount to intrinsic value represented by the trading price of the Company’s equity. In the letter, ***Ridgedale outlined a specific, accretive proposal that would allow the Company to repurchase the Class B Common Stock at an almost 50% premium to the market price of the Class A Common Stock, thereby removing the overhang of the “Levan Discount” on the trading price and allowing the true economic owners to take steps to realize the significant value of the Company’s assets.***

The full text of the letter follows:

November 13, 2018

Mr. Alan B. Levan
Chairman of the Board and Chief Executive Officer
BBX Capital Corporation
401 East Las Olas Boulevard
Suite 800
Fort Lauderdale, FL 33301

Mr. Levan:

Ridgedale Partners, LLC (“Ridgedale”) is a significant, long-term and frustrated owner of the Class A Common Stock of BBX Capital Corporation (“BBX” or the “Company”). As you and your fellow management team members have made clear on numerous occasions to both Ridgedale and other large shareholders, you revel in the fact that you and your accomplices control the Company through the Class B Common Stock and its super voting rights. You delighted in informing us, during a call on August 8, 2018, that you purposely set up the super voting structure in order to maintain control and ignore the desires of your public shareholders; stated another way, the super voting share structure allows you and your team of managers (including family members, friends and laughably unqualified executives) to, in an apparent continuation of the traditions of Ken Lay, Dennis Kozlowski and Meshulam Riklis, ignore your fiduciary duties to shareholders while seemingly plundering the value of BBX for yourselves. Furthermore, on our most recent call on November 9, 2018, you acted like a petulant child and abruptly ended the call after less than ten minutes (and encouraged us to simply sell our stock) because we asked pointed questions about your management choices; perhaps the Securities and Exchange Commission (“SEC”) was correct that you are not fit to run a public company if answering tough questions is beyond your capabilities.

Because of the dual class share structure, you are able to destroy value through a bloated cost structure with lavish executive salaries, as evidenced by the over \$30 million paid to the top five executives, including over \$10

million to both yourself and the Vice Chairman, Mr. Abdo. One wonders what exactly the Vice Chairman of the Board, with no management role, does to deserve so much compensation, other than knowing you for decades. **Thanks to your blatant and obvious maneuvers apparently designed to enrich yourself and others to the detriment of public shareholders, BBX's Class A Common Stock trades at an almost 36% discount to an incredibly conservative calculation of net asset value.**

While our opinions regarding your malfeasance and gross dereliction of your fiduciary duties have long been shared by many large BBX shareholders, through some combination of blind luck and a bull market, you were able to dull our wrath through an appreciation in your stock from the end of 2011 through April 2018. If shareholders somehow forgot about the price action, you were certain to point it out in your presentations (page 13 of your August 2018 presentation available on the website). However, taking a victory lap for raising the price from pennies on the dollar is akin to Donald Trump trying to receive kudos for almost getting through a decade without declaring bankruptcy for the first time since the 1980s; while it is technically true, it is hardly an auspicious accomplishment. Unfortunately for you and your band of seemingly negligent managers and friends (as well as your public shareholders), the stock's value plummeted by more than 40% from the highs in April through the end of October. While you will no doubt attempt to blame the downturn in timeshare valuations (as you did on our call last week before hanging up), your protestations will fall on deaf ears in our office. At our meeting with you on June 6, 2018, we expressed our fear that multiples in the timeshare space were stretched, and we desperately encouraged you to simply monetize the investment in Bluegreen Vacations Corporation ("BXG"). Your response was to express your bullishness on both BXG's prospects and the valuations in the timeshare space. Thankfully, we did not heed your advice and buy more stock at those near peak levels.

Now, the opiate of returns and profits has stopped dulling your shareholders' sense of outrage at the disastrous impact your association with the Company has on its value. While all of your shareholders have their own analysis for calculating the "Levan Discount," we will quickly present ours. BBX owns 67,261,010 shares of BXG; based on BXG's closing price of \$11.68 on November 12, 2018, BBX's stake in BXG is worth just under \$786 million. The net value of the rest of BBX's assets is not meaningful (since approximately 85% of BBX's value is in BXG, which is clearly prudent portfolio management), but we value those net assets at roughly \$144 million, creating a total net asset value for BBX of \$930 million, or approximately \$9.58 per share. Therefore, based on BBX's closing price of \$6.18 per share on the same date, the "Levan Discount" is roughly 36%. Furthermore, our valuation of the net assets of BBX is incredibly conservative for the following reasons: (i) we value the 90% ownership of BXG based off the trading price of BXG equity at its 52 week closing low, with no control premium assumed (we also ignore your impact on the trading price of BXG); (ii) the real estate is valued at book value from the balance sheet, despite the fact that the Company's 10-K reveals an expected multiple on realization of almost 1.9x on those investments; (iii) the investments in unconsolidated real estate joint ventures are also valued at book value, despite the same expected realization premium as evidenced by the October 2018 monetization of The Addison on Millenia Investment, LLC, joint venture for \$14.4 million versus a carrying value of \$5.2 million; (iv) Renin is valued at 8x EBITDA; and (v) BBX Sweet Holdings is valued at the June 2017 acquisition price of IT'SUGAR, with no value given to the rest of the businesses, including the \$8.6 million of net book value being evaluated for sale.

However, shareholders reading this letter do not need to take our word for it, since you so happily point out your deleterious impact on value in the Company's August shareholder presentation. Based on slides 66-70 of that presentation, you postulate that adding the market value of the BXG stake (\$786 million) and the net book value of BBX's other assets (\$173 million) yields a conservative valuation of BBX (\$959 million, or roughly \$9.86 per share) with potential upside if the other assets are worth more than net book value. It is a bold strategy to highlight your own catastrophic impact on value in a shareholder presentation, but that is the choice you have made.

While we, along with all your other Class A shareholders, would desperately like to see you do the right thing, either through a monetization of the assets or an aggressive buyback of BBX stock, we have been invested with

you long enough to realize that appealing to your senses of fairness, decency and fiduciary duty is likely useless. You will continue to destroy shareholder value because, like the scorpion on the back of the frog, it is in your nature. In what appears to be a sad and transparent attempt to mislead investors, you added a paragraph to your third quarter earnings release highlighting the repurchase of 321,593 shares of common stock under the June 2017 Repurchase program. The inclusion of this new paragraph (when compared to prior earnings' releases) was seemingly intended to give the impression that you were finally doing the right thing, albeit very slowly; unfortunately, you were simply highlighting share repurchases done not during the third quarter of 2018 but during November 2017 as disclosed in your SEC filings. Finally, as we noted with horror in your Schedule 13D/A filed on November 2, 2018, you plan on continuing your actions for the rest of your life, and any monetization event would only come "in the event of Mr. Alan Levan's death," when "Mr. Jarett Levan will use his best efforts as a shareholder of BBX to cause BBX to sell all or substantially all of BBX's interest in Bluegreen Vacations Corporation still owned by BBX and cause the proceeds of such transaction to be distributed to the shareholders of BBX." Clearly, you have no intention of monetizing BXG, and you have the unique distinction of being worth more to your investors dead than alive.

We could spend multiple paragraphs and letters detailing our views on your apparent abuses of shareholder trust and common decency (and perhaps we will have to, if we receive an unsatisfactory reply to this letter); however, knowing your nature, we propose a "win-win" solution which will allow you and your accomplices to reap the gains you so desperately desire while allowing shareholders to finally move forward with the realization of the asset value you horribly depress through your mere presence. Per the Company's September 30, 2018, 10-Q, there are 17,461,655 Class B shares outstanding, and per the Company's proxy statement, all directors and executive officers of Company as a group own 17,181,419 shares. Finally, we know that you and your accomplices are willing sellers of stock at \$9.25, since you sold over 2 million shares at that price into the Company's April tender offer. **We propose that the Company repurchase all the Class B shares at \$9.25 per share, an almost 50% premium to the closing stock price on November 12, 2018. The Company has more than sufficient liquidity to effectuate this purchase through its cash on hand at the holding company and borrowing availability under the Iberia Revolving Line of Credit; however, to remove this excuse, Ridgedale would be willing to lend BBX money against its stake in BXG in order to facilitate the transaction. Finally, if the Company steadfastly refuses to repurchase the Class B shares, Ridgedale is prepared to purchase a majority stake in the Class B shares at the same price.**

Simply put, Alan, you win. We, as large BBX shareholders, have done the math and simply paying you to go away will still improve our position greatly. While we hesitate to point out the benefit to shareholders, as we fear this may hurt the chances of you accepting our offer, paying you an almost 50% premium to the current stock price *is actually accretive to Class A holders* given the massive discount created by your mismanagement, misallocation and reputation. Putting it bluntly, we are offering you and your friends an almost \$54 million premium to simply retire, and paying this amount results in a positive outcome for shareholders as well. Once the actual economic owners are given a representative voice in the direction of the Company, accretive options such as aggressive buybacks, the sale of BBX, the sale of BXG or a spin-off of BXG will be effectuated. We eagerly anticipate your reply.

Regards,

Ridgedale Partners, LLC

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Ridgedale reserves the right to adjust or exit its position in BBX Class A Common Stock at any time and without notice.